FINANCIAL TIMES

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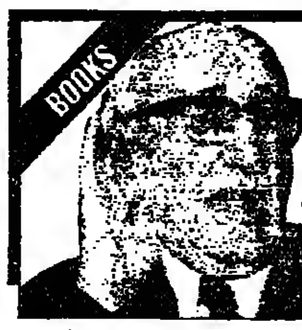

Samuel Brittan on Hayek
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HOW TO SPEND IT

Tips on travelling light
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WORLD NEWS

ITV cancels Olympic coverage

ITV's coverage of the Loa Angeles Olympic Games was cancelled after the Independent Television Companies Association failed to agree on staffing levels with the main technicians union, the ACTT.

The companies will lose nearly £2m they have already spent in preparation for their coverage.

The disagreement centred round three production assistants—out of an ITV sports unit of 65—wbn the ITCA said were superfinous but the union claimed were essential. Page 6

Coal talks go on

The Coal Board and the NUM leadersbip had five bours of talks yesterday, keeping alive hope of a break in the pit dispute—deadlock. Back Page; Police funds court order, Page 6

Soviet offer 'still valid'

The Soviet Union said its offer of talks on a apace weapons ban was still valid, but called on the U.S. to make a new formal reply.

Tories' GLC doubts

London-based Tory MPs and some on the left of the party are pressing for the establishment of a London-wide statutory anthority to succeed the GLC. Page 4

Consecration protest

Two protesters interrupted the consecration at York Minster of the new Bishop of Durham, Prof David Jenkins, whose theological views have aroused controversy.

Beirut airport delay

Beirut harbour and airport failed to reopen on schedule because of delays in clearing mines and shells from crossings along the city's "green line." Page 2

Vaccine suit go-ahead

Seven people who suffered brain damage as babies after whooping cough vaccinations won a High Court go-ahead to sue the DHSS.

Bombings hit Spain

One person was injured and at least eight buildings were damaged in a spate of bombings in five Spanish cities.

Hosepipe ban

The Thames Water Authority banned the use of bosepipes in many aprsbes, and the West of Scotland will introduce a ban from Friday. Weather, Back Page

Consultant jailed

Consultant Dr Mark Patterson was jailed for three years at the Oold Bailey for stealing blood from the National Heart Hospital.

McEnroe v Connors

John McEnroe will meet Jimmy Connors in tomorrow's Wimbledon Men's final after beating Pat Cash 6—3, 7—6, 6—4. Connors beat Ivan Lendl 6—7, 6—3, 7—5, 6—1. Tennis, Page 17

Financial Times

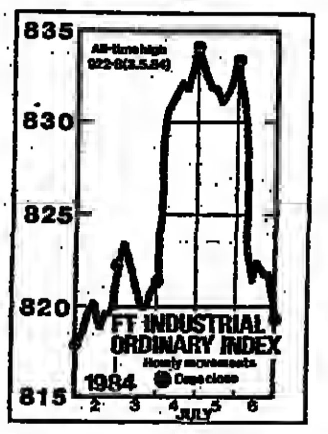
We apologise for the non-appearance of yesterday's issue. This was due to industrial action by members of the National Union of Journalists in pursuit of a pay claim. Production difficulties may have resulted in typographical errors in today's edition, for which we apologise.

BUSINESS SUMMARY

Jaguar draft offer for sale published

JAGUAR: shareholders in parent company BL were given a draft offer for sale document, as part of the preparations for public floation of the luxury car maker, the first time this bas happened in Britain. Its independence is to be protected until 1991. Back Page

EQUITIES were uncertain as the dollar rose, and the FT Industrial Ordinary index lost 14.2 to 819.3, marginally up on



the week. The Gold Mines index sbed 22.6 to 539.8, down 105 in five days. Page 24

SEALINK: three bidders made offers for the BR subsidiary; Trafalgar House ruled itself out. Top bid was believed to be about £50m, well short of government hopes. Page 20

U.S. unemployment fell to 8.13m —7.1 per cent—in June, a four-year low, from 7.5 per cent in May. Back Page. Canadian rate was 11.2 per cent (1.36m people), down from 11.7 per cent.

BLACK MARKET price of the U.S. dollar in Israel has dropped sharply, as a mystery man with a big suitcase floods the streets with dollars. Back Page

JOSEPH OSSORIO, former chairman of Drysdale Goverment Securities, which caused near panic in U.S. financial markets wben it collapsed in 1982, was jailed for eight years in New York for fraud.

EAST GERMAN national income rose 5.1 per cent in the first six montbs, its biggest growth in a decade.

MEXICAN inflation was 30.4 per cent in the first half, against 41 per cent a year ago, for an annual 67.1 per cent.

INDONESIA recorded a $7bn (£5.3bn) trade surplus in 1983-1984.

CARPET sales rose 10 per cent last year, the first increase in five years, but imports rose 19 per cent.

ROBERT MAXWELL'S £80m bid for the Mirror group is meeting stiff opposition from the newspapers' staff. Page 6

CASTLEMAINE TOOHEYS, Australian brewer in which Britain's Allied Breweries holds 20.9 per cent, bid A$300m (£193.7m) for Nicholas Kiwi, Aspro-to-shoe polish group. Page 21

ATARI, California video game and bome computer company, faces big cuts in its 1,100-strong workforce under its new owner. Page 21

THORN EMI electronics group pulled out of the running for British Aerospace, aircraft and arms maker. BAe is still in talks with General Electric Company. Page 20

BUTTERFIELD-HARVEY, industrial bolding company, secured £1.6m more funding after heavy losses. Sir Monty Finniston is to step down aa chairman. Page 20

Base rates up to 10% in face of run on £

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

CLEARING banks raised their base lending rates by ½ of a percentage point to 10 per cent yesterday in the face of a further speculative run against the pound.

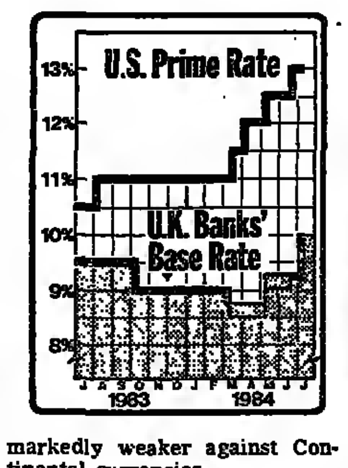
The move, which was endorsed by the Bank of England at mid-day, bad an immediate steadying effect on sterling, but tbe financial markets remained nervous and uncertaln as the dollar reacheda new record.

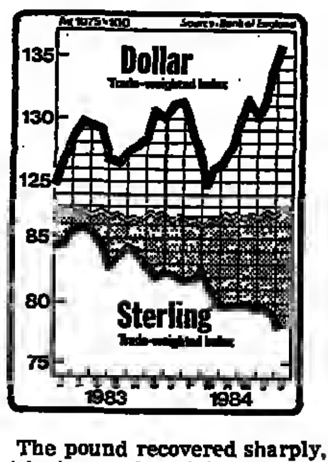
Building societies said they would "almost certainly" increase their mortgage lending rates. It aeems likely that next Friday's regular meeting of the Building Societies' Association wil lagree to put the rate up by at least ¾ perceneage point to 1 per cent, and very likely to 11¼ per cent.

The rise in interest rates is a setback for the authoriteis who 10 days ago said they saw no domestic reason for an increase. However it was recognised in Whiteball that the strength of the dollar reflecting higb U.S. interest rates might force a rise in UK rates, if the pound also showed weakness against Continental currencies.

As soon as trading opened in London yesterday, the pound fell steeply following a slide which had been gathering momentum during the week.

After falling by 1.75 cents against the dollar on Thursday, it dropped another cent to a record low of $1.31. It was also





markedly weaker against Continental currencies.

Its value against a trade-weighted basket of currencies was down to 77.4 more than 1 per cent lower than its closing value on Thursday. Sterling's rate against the D-mark was close to DM 3.7 which some dealers in Frankfurt believe the British authorities regard as an unofficial limit.

The rise in base rates was led by Barclays Bank and all the other high street banks soon followed. The Bank of England, which had earlier been quietly telling the clearing banks not to raise their rates, reversed its advice. It then raised the rates at which it lends to the money market by between 1 and 1½ per cent bringing them all to 10 per cent.

The pound recovered sharply, with its trade-weighted index closing at 77.9, ½ per cent higher than its opening level, but still ½ per cent lower than Thursday's close.

This mainly reflected the continued strength of the dollar whicb rose to a new peak of 135.8 on its trade-weighted index against a basket of currencies.

Although the pound closed at DM3.75 in London yesterday, close to Thursday's London close, many dealers were describing its overall performance as "disappointing." There

Continued on Back Page
Low wage economy and unemployment map, Page 3
Editorial Comment, Page 18
Money markets, Page 23
Lex, Back Page

Hong Kong raises prime rate

BY DAVID DODWELL IN HONG KONG

HONG KONG's prime lending rate was lifted by 3½ percentage points to 17 per cent yesterday as the territory's banking association took emergency measures to prevent a collapse of the Hong Kong dollar. The rate was as low as 10 per cent in March.

The crisis comes at a time of increasing unease over the British colony's political future. This partly stems from confirmation that China is pressing for a working group to oversee the territory's, expected 13-year transition to Chinese sovereignty in 1997.

The Chinese proposal has brought Sino-British negotiations toa head and has provoked fierce opposition in Hong Kong. Officials bere see it as a subtefuge to give Chine effective control over tbe colony long before 1997, when Britain's leases run out.

The Chinese pcoposal is understod to be strongly opposed by UK negotiators and is the main reason why Sir Edward Youde, Goveroor of Hong Kong, and Sir Richard Evans, UK Ambassador to Peking, were recalled to London for talks with Mrs Thatcher, the Prime Minister.

The tbree-day London talks, wbich included a session with Sir Geoffrey Howe, the Foreign Secretary, ended yesterday, but Whitehall refused to comment on them.

Apart from the political worries, the "amazing strength" of the U.S. dollar was cited by bankers for yesterday's decline in the Hong Kong currency.

Since the financial crisis last October, the local dollar has been pegged at HK7.80 to the U.S. dollar. The policy had worked effectively until yesterday. Shortly after 3 pm, however, dealers felt downward pressures were too strong to resist and within an bour the currency fell to toucb HK$8.00 to the dollar.

The Association of Banks promptly went into emergency session and announced the interest rises. Subsequent heavy intervention from the Hongkong and Shanghai Banking Corporation stabilised the currency at HK$7.85 to the U.S. dollar.

The fall confirmed bankers' fears, but did not come as a complete surprise. Several predicted that the interbank rate would pass 20 per cent after the weekend and that the new interest rates were a compromise that might be difficult to defend unless political worries were calmed. Bankers noted what they described as the conspicuous absence of the Bank of Chaina in the financial support operation.

The stock market bas taken the brunt of the political unease. The Hang Seng Index ended yesterday before news of changes in the dollar's value at 822.86, representing a drop of more than 120 points in the past two weeks, and it is now 350 points below the 1984 high.

The latest Chinese proposal was publicly confirmed only on Thursday, when Li Jusheng, a director of the Chinese News Agency in Hong Kong, said that a "joint working group" would be "very belpful."

Sinclair car to cost under £1,000

BY ROBIN REEVES

SIR CLIVE SINCLAIR'S "runabout" vehicle will go on sale early next year priced at under £1,000. First-year production is planned to be far higher than anyone connected witb the motor industry had thought possible—at least 100,000 units.

These two key eiements in Sinclair Vehicles' strategy, wbich the company would not confirm yesterday, underline the audacious nature of the venture. Sir Clive appears bent on making as big an impact in the vehicle market as his low-cost products have already achieved in electronics.

The precise specifications of the Sinclair vehicle are still secret. Sir Clive, who has been working on the design for a decade, claims to be well ahead of international competition in the field.

The price of the vehicle is known to be "all-in". Batteries, and tbe means to charge them, will not be sold as extras.

The company so far has described it only as a "highly convenient, economic, energy efficient and ecologically appealing solution to a wide range of transport needs".

Mr Barrie Wills, the former De Lorean executive wbo is now managing director of Sinclair Vehicles, saya it will appeal to a wide market, particularly commuters, shoppers and the younger generation.

The vehicle is expected to break with tradition, not just in being smaller and lighter than even the "bubble" cars of the 1950s, but in toe manner in wbicb it is marketed.

Traditional garages are expected to be the exception rather than the rule in the network now being formed of dealers and service points.

Preparations are also going ahead to add a further two models to the range within five years of the first vehicle being launched.

The project is well past the prototype state and Hoover, wbicb is to assemble the vebicle under contract at its Merthyr Tydfil wasbing macbine plant in South Wales, is training staff.

Hoover has been selected because the vehicle requires skills in electrical and electronic assembly rather than motor car production.

Despite the planned output, only about 100 new jobs will be created in Merthyr, emphasising that the assembly operation will be highly automated.

An export drive is due to begin six tn 12 months after the UK launch.

Component suppliers, some 75 per cent of whicb are British companies, have been agreed jointly between Sinclair Vehicles and Hoover. Sinclair Vehicles was established by Sir Clive last February as a private undertaking entirely separate from Sinclair Research, responsible for his computer and TV products.

Ford signals continnation of car sales war, Page 4

JET STILL HELD IN LAGOS

Strong protest over kidnapping

BY KEVIN BROWN AND ANDREW GOWERS

BRITAIN delivered a strongly-worded protest to Nigeria yesterday over the attempted kidnapping of a prominent Nigerian exile and the detention in Lagos of a British Caledonian airliner.

Sir Geoffrey Howe, the Foreign Secretary, told Maj.-Gen. Halidu Haunaniya, the Nigerian High Commissioner, that the Government took "an extremely serious view" of both developments

He demanded the immediate release of the Boeing 747 and full co-operation—including a possible waiver of diplomatic immunity by the Nigerian authorities—in investigating the abortive abductinn of Alhaji Umaru Dikko, the former Nigerian transport minister and brother-in-law of deposed president Sbebn Sbagari.

Mr Leon Britten, the Home Secretary, told the House of Commons that 17 people were being questioned by police after Mr Dikko, one of the men most wanted by Nigeria's military government, was found drugged and unconscious in a crate at Stansted airport, Essex.

The crate was one of two, both addressed to the Ministry of Exteroal Affairs in Lagos from the London High Commission, due to be put aboard a Nigeria Airways cargo aircraft.

Police said those arrested included 10 Nigerians, one of whom was an employee of the Nigerian High Commission who bad been accompanying the crates as a courier. It was not clear wbether be bad diplomatic status but Scotland Yard said be had not requested immunity.

Nigerian authorities in London and Lagos continued to deny any involvement in the kidnap attempt. Their response did not appear to satisfy Sir Geoffrey, who said he bad "noted" the disclaimer.

Last night, Britisb Caledonian's jumbo remained on the tarmac at Murtala Muhammed airport. It was summoned back to Lagos 45 minutes after taking off for Kano and London, in wbat appeared to be retaliation for the detention of the Nigeria Airways aircraft at Stansted.

At Gatwick British Caledonian said that the 222 passengers, 50 of them Britisb, were allowed to leave the airport during the day.

In Lagos, Mr Hamilton Whyte, the British High Commissioner, saw Mr Ibrahim Gambari, the Nigerian Foreign Minister, at least twice in a bid to secure the release of the aircraft. Last night there was still no official response from the military authorities.

Meanwhile, British Caledonian recalled one flight to Lagos and cancelled another. Nigeria Airways was reported to have suspended all services to the UK.

In the Commons Mr Brittan described the detention of the Boeing aa an outrage and said the action was extremely difficul to reconcile with Nigeria's denial of involvement in the kidnapping.

The fund of goodwill which Nigeria enjoyed in Britain would be "drawn on too heavily" if the aircraft was not released immediately, be added.

Mr Brittan's statement provoked strong pressure from Conservative backbenchers for diplomatic action against Nigeria.

Sir Geoffrey took a cautious line on possible reprisals, bowever. He said in radio and television interviews during the day that any decision would depend on the outcome of investigations. He empbasised that Nigeria was "a friendly Commonwealth country" with "a very substantial trading relationship" with Britain. UK sales to Nigeria were worth nearly £800m last year, and there were abcut 12,000 Britons living in the country.

Mr Dikko, wbo was recovering in a Bishops Stortford bospital yesterday, has been sought by Nigeria since he escaned just after the New Year's Eve coup which brougbt Maj Gen Muhammadu Buhari to power.

One of the most powerful figures in the civilian administration toppled by the coun, he masterminded former President Shehu Shagari's election campaign a year ago and is wanted on corruption charges.

He was kidnapped after a scuffle on the pavement outside his London home and bundled into a van soon after noon on Thursday.

Kidnap in London, Page 18

Midland to offer Ecu travellers' cheques

By David Lascelles

TRAVELLERS in Enrope next year will be offered a new way to break down financial borders — travellers' cheques denominated in the European Currency Unit, the Ecu.

The cheques will be issued by Thomas Cook, the travel subsidiary of Midland Bank through an arrangement with Euro Travellers Cheque International, the group of several hundred European banks who co-operate to sell standard banking products.

"It's a hit of a suck and see development," said a Thomas Cook spokesman last night. "It will need a hit of education, hut obviously we expect it to find favour."

The design of the cheques had not yet been decided, but they would have "a strong European identification."

Tbe Ecu is a hasket of nine EEC currencies with weightings based roughly on economic size. The Deutschemark dominates with 37 per cent, followed by the French franc with 17 per cent and sterling with 15 per cent. The unit's valne is calculated daily against all major currencies. Yesterday it was worth just under 60p.

The Ecu's great merit is its stability. A sharp movement in one currency is often offset by an opposite movement in another. This has made it attractive for commercial dealings, where it is increasingly used as a unit of account, for bank dealings and as a denominator for Eurobonds.

Although it is possible to open private bank accounts denominated in Ecu, the Tbomas Cook plan is believed to be tbe first time the unit will be used on the mass consumer market.

Among the advantages being cited by Tbomas Cook is the flexibility of Ecu cbeques for travellers visiting several countries and needing to protect themselves against sharp cbanges in excbange rates.

Mr D. Cardon de Lichtbner, chairman of Euro Travellers Cheque International, said: "Philosophically, it is natural for European banks to

Continued on Back Page

MARKETS

DOLLAR
New York lunchtime:
DM 2.836
FFr 8.7075
SwFr 2.38625
Y241.25
London:
DM 2.8375 (2.8255)
FFr 8.7055 (8.6795)
SwFr 2.3875 (2.3735)
Y241.2 (240.25)
Trade Weighted 135.8 (135.7)
Tokyo close Y241

U.S. LUNCHTIME RATES
Fed Funds 11¼%
3-month Treasury Bills: 10.01%
Long Bond: 97¼
Yield: 13.59

GOLD
New York: Comex July latest $342
London: $341.5 ($364.5)

STERLING
New York lunctime $1.3165
London: $1.3175 (1.318),
DM 3.735 (3.739)
SwFr 3.1425 (3.128)
FFr 11.46 (11.4395),
Y317.5 (316.65)
Trade weighted 77.9 (78.3)

LONDON MONEY
3-month interbank:
mid rate 10½% (9¾)
3-month eligible bills:
buying rate 10% (9¾)

STOCK INDICES
FT Ind Ord 819.3 (−14.2)
FT-A All Share 490.39 (−1.5%)
FT-SE 100 1,042.3 (−20.4)
FT-A long gilt yield index:
High coupon 11.1
New York lunchtime:
DJ Ind Av 1,117.60 (−6.96)
Tokyo:
Nikkei Dow 10,461.91 (+41.34)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 5.00; Germany DM 2.20; Italy L1,100; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Eire 60p; Malta 30c.

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For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086

Mines and shells delay reopening of Beirut airport

BY TONY WALKER IN BEIRUT

THE REOPENING of Beirut airport was delayed yesterday as land mines and unexploded mortar and artillery shells slowed the progress of the Lebanese army in clearing obstructions from crossings along the city's "green line." The army is insisting that roads to the airport be secure and cleared of mines.

On the streets of Beirut, against the backdrop of buildings scarred and wrecked from more than nine years of fighting, people are going about their business with a glimmer of hope that peace might last.

Mr Rashid Karami, the Prime Minister, said a "new Lebanon" is being created. Opponents of a unified Lebanon were changing their minds, he said.

His difficulties are underlined, however, by the continued conflict in Tripoli, Lebanon's second largest city, 50 miles north of Beirut. In three days of fighting between pro- and anti-Syrian groups 35 people are reported killed and many wounded.

While there are genuine hopes of an end to the bitter sectarian violence in Beirut, many people remain sceptical that Lebanon can be saved.

At the Galerie Semaan on the "green line" between east and west Beirut, Ali Mowla, a lieutenant of the predominantly Moslem Sixth Brigade of the Lebanese army, doubted the war would end

"If they (Christian and Moslem militias) still have weapons the war will never end. Nothing will solve the problem," he said. "The other side (Christians) must understand we are citizens of the same country. They must understand we are first-class citizens like them. Our aim in fighting is to secure equality."

So far no serious incidents have been reported in Beirut, and rival groups appear to be working in a spirit of co-operation.

The three-stage plan for the restoration of peace to Beirut worked out by Mr Karami's national unity government provides for the withdrawal of militia units from positions along the "green line," the dismantling of heavy artillery in these positions, the reopening of crossings and the restoration of services to the airport and ports closed since February.

Much of the three-stage plan is falling into place. Moslem and Christian militias have quietly stepped aside to make way for the regular army, and members of the militia have for the time being exchanged battle fatigues for civilian clothes.

Mr Karami has called on Israel to support efforts to secure peace in Lebanon. "If Israel thinks well about its interest in Lebanon, a healthy, quiet, unified Lebanon is the best Lebanon for all its neighbours. But a feeble Lebanon which is fighting among the Lebanese people is a weight on everybody's shoulders."

Gulf tanker survives attack

BY OUR MIDDLE EAST STAFF

THE 272,058 dwt Liberian-registered tanker Primrose is expected to anchor off Fujairah today for a detailed inspection of the damage caused by two Iranian missiles on Thursday.

The Primrose, which loaded with Saudi Arabian crude at Ras Tanura, was south of Lavan Island bound for the Strait of Hormuz when an Iranian F-4 fighter-bomber attacked. One missile bounced off the deck, the other penetrated the engine-room but caused no serious damage.

Japan Line, owners of the vessel, said one of the crew was injured.

Although Iran has not openly claimed responsibility for the attack, action against Gulf shipping had been expected following the three Iraqi attacks on vessels calling at Iranian ports the previous week.

Hashemi Rafsanjani, Speaker of the Iranian Parliament, told a prayer meeting in Tehran yesterday that Iran was ready to launch its long-anticipated ground offensive. "It can happen any day."

Mitterrand defends embattled Mauroy

By David Marsh in Paris

PRESIDENT Francois Mitterrand, responding to fierce parliamentary attacks from right-wing opposition to the government's proposed laws on the press and private schools, has put his authority behind M Pierre Mauroy, the embattled Prime Minister.

During a two-day tour of the Auvergne, central France, M Mitterrand said he would not be intimidated by criticism of main elements in government policies.

He stressed the priority given to bringing down the rate of inflation, in spite of gloomy forecasts of rising unemployment to well above 2m. In a key-note speech yesterday in the Auvergne capital of Clermont-Ferrand, French taxes would be re-

M Mitterrand reiterated that duced next year in the budget. Taxes on companies and individuals would be brought down in a balanced fashion, be said.

The opposition has mounted an onslaught, both in the National Assembly and the enate, on the Goverment's press and schools bills, which seek to diminish right-wing newspaper monopolies and increase government control of private education.

After M Mauroy's declaration on Thursdays that the Government was making the press bill an issue of confidence to cut long-running National Assembly debate, the opposition yesterday deposited a motion of censure.

M Mitterrand's counter attack against what he called "invective" and obstruction from the opposition was associated with a spirited personal defence of M Mauroy, with whom the President went out of his way to underline his solidarity.

By speaking out during his Auvergne visit — during which Giscard d'Estaing — the President clearly hopes to defuse the growing opposition campaign to call into question the legitmacy of his government. His vote of confidence in M Mauroy appears to confirm that the cabinet changes expected after the socialist setback in last month's European elections will be delayed for at least several more week

Howe urges flexibility on Latin America debt

BY ROBERT GRAHAM

BRITAIN'S Foreign Secretary, Sir Geoffrey Howe, yesterday called for a flexible and positive response from creditor nations to the problem of Latin American debt. It is the first major speech by a British Minister on the problem.

Sir Geoffrey commended the restraint shown by the 11 Latin American debtors at their recent summit in Cartagena, Colombia, and said that they deserved a "serious" response to their demands.

Sir Geoffrey's speech, made to the London Chamber of Commerce, reflects the more conciliatory approach to the Latin American debtors in the wake of the London economic summit in June and the urgent pleas by the region's leaders for understanding of their problems.

It also underscores a growing feeling in the Foreign Office that means must be found for closer co-operation between creditor and debtor countries.

In the past two weeks, a number of high-level contacts have been going on between the industrialised countries represented at the London summit and the main Latin American debtors.

Personal letters have been sent by Mrs Margaret Thatcher, Britain's Prime Minister, and President Ronald Reagan of the U.S. to the leaders of the main Latin American debtor-countries saying in private what Sir Geoffrey yesterday said in public.

Similar sentiments have also been expressed in Buenos Aires during the past two days by Chancellor Helmut Kohl of West Germany.

Sir Geoffrey firmly supported the International Monetary Fund's role in imposing tough readjustment programmes on the debtors.

He also singled out Brazil and Mexico for praise in their progress in readjusting.

But he added: "what needs to be done now is to encourage countries to build on these policies and derive the greatest benefit from them.

"At the London summit, we agreed that this existing strategy must be developed flexibly to help debtor-countries make the necessary changes."

More generally, he stressed the need for a long-term approach to the problem of heavy repayment schedules and to move away from short-term lending.

Recognising that the main demand arising from the Cartagena meeting was for a reduction in interest rates, he was critical of the new rise in the U.S. Prime rates to 13 per cent.

"The general mood of Cartagena was one of co-operation and restraint. . . . That is reassuring but countries in their position have a right to expect a serious response." The latest U.S. interest rise was not, he said, the right way to reward moderation.

Sir Geoffrey declined to offer any concrete solutions. However, by publicly voicing Britain's desire to establish a genuine dialogue the government hopes to prevent a radicalisation of the issue.

Accord reached in W. German print strike

BY JONATHAN CARR IN FRANKFURT

WEST GERMAN newspapers will appear normally on Monday for the first time in more than 12 weeks, following an accord between trade unionists and employers which ends the strike in the printing industry.

The compromise reached early yesterday after 30 rounds of often heated negotiation, is similar to that achieved a week earlier in the metalworking industry.

It includes a cut in the average working week for the 165,000 printing workers from 40 to 38.5 hours, effective April 1 this year to end-March 1987.

It permits in-house agreements allowing longer than average working hours when required, with the difference to be made up later with extra free time.

Hence, Dr Manfred Beltz-Rübelmann, chief employers' negotiator, could argue yesterday that the accord endorsed the flexibility "which is so essential in our branch in particular."

At the same time Herr Erwin Ferlemann, head of the printers' union IG Druck, said his organisation had won the progress towards a 35-hour week it had been seeking.

The accord also includes a wage increase of 3.3 per cent from July 1 this year to end-March next year, followed by a further 2 per cent rise to end-March 1986. This implies a small rise in real terms with the West German inflation rate now running at under 3 per cent.

Moreover, new minimum periods of notice and payment have been agreed for those either made redundant or required to change their jobs through rationalisation measures.

The accord still has to be submitted to printing workers in a ballot on Tuesday and Wednesday. Assent is required from only 25 per cent of those voting to allow the agreement to go through so this hurdle is felt to be only a formality.

News of the agreement yesterday came too late to prevent further disruption in the country's printing plants. As a result many newspapers will again produce only skeletal editions today.

At no point during the dispute, which began on April 12, have all the country's presses been stopped. It was IG Druck's tactic to shift the pressure from one region to another.

However, there had been growing fears in mid-week of a collapse in the negotiations, and a widening of strike action. Intervention from Herr Norbert Blum, the Labour Minister, in telephone calls on Thursday to both sides put the talks back on the rails.

Inquiry wants Aquino's body to be exhumed

By Emilia Tagaza in Manila

THE BOARD investigating the assassination of Mr Benigno Aquino, the Philippines opposition leader, ended eight months of public hearings yesterday with a final request to his family to allow the body to be exhumed for further examination.

Mrs Corazon Agrava, the retired judge leading the inquiry, said it will go into "seclusion" to try to present its findings before the first anniversary of Mr Aquino's assassination on August 21. The board is not hopeful of obtaining permission to exhume the body

U.S. call for steels import curb

BY STEWART FLEMING IN WASHINGTON

THE U.S. speciality steel industry has written to President Ronald Reagan urging him to tighten import controls following a sharp increase in stainless steel imports in the first five months of the year.

The demand, which is directed in part at EEC and Spanish producers, seems destined to intensify tensions between the U.S. and the Community on steel trade since the President last year imposed tariffs and quotas on speciality steel imports.

The industry's letter, backed by the United Steelworkers Union, says last year's tariffs have been ineffective. Imports rose by 62 per cent in the five months, it says. It calls on the President to replace the tariffs on certain products with quotas.

Following last year's ruling by the International Trade Commission that imports were seriously injuring the U.S. industry the Administration negotiated quota agreements with several foreign manufacturers of specialty steels. The EEC, however, refused to negotiate and a mixture of quotas and tariffs was imposed on its U.S. exports.

The Community retaliated under Gatt rule and imposed compensating restraints on certain U.S. exports, in particular chemicals.

Last month the ITC decided that the carbon steel industry is also suffering serious injury from imports, and is expected to recommend soon what sort of protection that industry should receive. The industry is asking for quotas on carbon steel imports.

Brussels approves fibre cuts

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has given final legal approval to a joint plan in the EEC synthetic fibre industry to reduce capacity by 18 per cent for six types of product.

The decision, announced yesterday, is the first time the Commission has exempted an agreement for capacity reduction from the competition rules of the EEC. These prohibit concerted action by companies which is thought likely to inhibit trade.

But the industry plan to reduce capacity dates back to 1982 and covers a total of 354,000 tonnes. It involves 10 leading companies. The cuts are nearly completed, concluding a process of retrenchment which actually started in the 1970s.

This fact means that the Commission's decision is more significant in terms of the precedent created for an exemption to the competition rules than in its impact on the industry.

The Commission made clear in 1982, however, that joint action to cut structural overcapacity would be permitted under strict conditions including a detailed programme for plant closures and the maintenance of freedom in the market for all the companies taking part.

The companies covered by the Commission's belated approval of the synthetic-fibre agreement are Courtaulds and ICI of the UK, Rhone Poulenc of France, Bayer, Enka, and Hoechst of Germany, Anicfibre, Montefibre and Snia Fibre of Italy, and Enka of the Netherlands.

Their freedom from the normal ban on restrictive trade practices lasts until the end of 1985.

Inquiry into Irish milk smuggling

BY IVO DAWNAY IN BRUSSELS

EEC farm fraud investigators are to examine reports that substantial quantities of milk are being smuggled across the border between Ireland and Ulster in an attempt to evade production quotas imposed by the Community last March.

At the same time, the Commission will seek formal assurances from the UK and Ireland that everything is being done to halt unregistered dairy traffic.

Both countries also face close questioning from other member-states when managers of the milk market meet in Brussels next week.

The moves follow a report in the Financial Times which revealed that Irish Ministry of Agriculture officials have alerted customs officers to the illegal traffic.

The existence of unregulated crossborder sales was also acknowledged by the Milk Marketing Board of Northern Ireland, which estimated that between 1 and 2 percentage points of an 8.2 per cent fall in 1983 Ulster production, recorded recently, may be attributable to sales in the Republic.

But officials of the Irish Co-operative Organisation Society (ICOS), which represents almost all the republic's creameries, vigorously denied that there was any large-scale milk smuggling.

While accepting that very small quantities might be involved in illegal sales, the ICOS issued a "total denial" that the traffic ran into hundreds of thousandsof tonnes.

Such activity would be totally detrimental to the interests of Irish creameries and their producers who now looked set to exceed their quota ceilings for the marketing a year, the ICOS said.

Madrid puts final touches to oil Bill

By David White in Madrid

THE SPANISH Government has put the final touches to a Bill reorganising the country's oil business and essentially designed to control the amount of competition arising from EEC entry.

Sr Carlos Solchaga, Industry and Energy Minister, said yesterday that the Government had taken precautions to ensure that its strategy for dismantling the current monopoly on oil imports and distribution would not come under attack from EEC authorities.

Foreign oil companies believe the new structure, which brings Spanish refiners together in a distribution arrangement, could potentially come up against Community rules depending on how it is operated.

Spain has a six-year transition period after EEC entry, which is due in 1986, to phase out its monopoly.

The Bill changes the role and structure of Campsa, the state-controlled company which has run the monopoly since 1927 using pipeline and transport facilities belonging to the state and granting concessions to petrol-station operators.

Under the reorganisation, Spain's four private and two state refining companies will have direct stakes in the distribution network through Campsa.

Sr Solchaga said the reorganisation was designed to bring Campsa closer to the integrated structure of international oil companies.

The key questions for foreign oil companies wanting to exploit the Spanish market is whether they will be allowed access to Campsa's distribution network. The alternative would be for them to set up their own pipeline and transport facilities, which they are likely to be reluctant to do

At the moment foreign companies only have access for supplying foreign ships and aircraft.

The main lines of the Campsa reorganisation were drawn up a year ago between the Government and Spanish refiners. In a first stage, the state energy holding company INH bought out the 47 per cent private stake in Campsa last autumn.

The state's fixed assets in pipelines, storage facilities, tankers and tanker lorries, which has been valued at Pesetas 10 bn (£46.6m) will now be taken over by the company.

Lahore hijack ends

THE 264 passengers and crew of the hijacked Indian Airlines Airbus at Lahore airport were released yesterday and the Sikh hijackers arrested by the Pakistan authorities, writes K. K. Sharma in New Delhi. Although relations with Pakistan have not been affected, as had been feared, the Indian Government prepared to deal with an escalation of the confrontation with Sikh extremists in Punjab and with supporters of Dr Farooq Abdullah in Kashmir.

Canada polls issue raised by Turner visit to Queen

BY BERNARD SIMON IN TORONTO

CANADA'S prime minister, Mr John Turner, is due to meet the Queen at Windsor Castle today, raising expectations that he will call a snap election.

Before leaving Ottawa, Mr Turner said the purpose of his two-day trip to London, during which he will have lunch with Mrs Margaret Thatcher, the UK premier, is to discuss the Queen's visit to Canada, due to begin next weekend.

Mr Turner is expected to ask her to postpone the two-week visit until thet autumn. Buckingham Palace indicated earlier that the visit will not go ahead if it coincides with an election campaign.

Pressure has built on Mr Turner to hold a quick general election since he was sworn in as Prime Minister a week ago. The Government is required by law to give at least 50 days' notice of an election. The most likely date for the poll is September 4. Mr Turner is to hold a Press conference on Monday after his return to Ottawa.

Members of the ruling Liberal Party have urged Mr Turner to capitalise on a sudden surge in public support. According to a Gallup poll published yesterday, the Liberals currently have the support of 49 per cent of decided voters, compared with 38 per cent for the opposition Progressive Conservative Party.

● The Bank of Canada's intervention in currency markets to support the Canadian dollar wiped more than one-fifth off the country's gold and foreign exchange reserves last month, according to figures published by the Department of Finance.

The reserves stood at U.S.$2.9bn on June 30, their lowest level in over two years. They totalled U.S.$3.7bn at the end of May and U.S.$4.4bn in June 1983. The Department of Finance said the Government made no drawings last month on its standby credit facilities with local and foreign banks.

The decline in the reserves reflects the authorities' efforts to support the Canadian dollar without a sharp rise in domestic interest rates, which they fear would abort Canada's fragile economic recovery.

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Trident cost raised by fall in sterling

By Lynton McLain

THE COST of Britain's Trident nuclear missile programme has increased by £662.8m since March as a result of the sharp fall in the value of sterling against the U.S. dollar.

The increase has absorbed nearly 40 per cent of the Trident contingency reserve.

Yesterday's opening exchange rate of $1.3125 to the pound compares with the rate of $1.53 used by the Ministry of Defence to calculate the sterling equivalent of Britain's dollar spending on the Trident programme in the U.S.

The latest official cost estimate made by Mr Michael Heseltine, the defence secretary, in March was £8,729m. About 45 per cent of this, or nearly £4,000m at the $1.53 rate, will be spent in dollars, according to a report from the Commons public accounts committee published on Thursday.

When Trident was first announced, the MoD said at least 70 per cent of the total cost would be spent on British hardware and equipment. This has since fallen to 55 per cent and there is no provision for U.S. purchases of UK equipment to offset the £4,000m the UK is to spend in the U.S.

The fall in the value of sterling raises the cost of this part of the programme by over £662m, making a rise of over 7.5 per cent in the total programme cost.

The revised total costs of Trident is now £9,391m—almost twice the £5,000m given when the plans to purchase the U.S. missile as Britain's independent deterrent were announced four years ago.

The March 1984 figure includes a contingency sum for unplanned increases in cost. The Commons committee report identifies this contingency sum as equivalent to 20 per cent of the March figure, or about £1,750m.

Further increases in the cost of buying the U.S. system have not been ruled out. The Ministry confirmed to the Commons public accounts committee that, at this early stage in the programme, "there was still a number of very considerable uncertainties, and the latest (March) figures could not therefore be regarded as final."

At the same time, Britain has already lost substantial sums of interest on the £4,662m part of the Trident budget to be spent in the U.S. Expenditure in the U.S. is funded under trust fund arrangements and unused balances lodged in the U.S. for this part of the programme, payable in dollars over the next decade, does not earn interest, according to the Commons report.

Unused balances in the 2½ years to mid-1982-83 "might have earned interest of some $4.1m," according to MoD internal auditors in evidence to the committee.

The average balance in the U.S. trust fund over the next decade for Trident will be "substantial," the report says.

"We therefore expect MoD urgently to pursue changes in the application of the current arrangements which will provide for the payment of interest under revised draw-down procedures," the committee recommends.

House of Commons, 19th report from the Committee of Public Accounts, session in 1983-84, the UK Trident Programme, MoD. House of Commons paper 348. HMSO, £3.75.

NEI jobs lost

NORTHERN Engineering Industries yesterday announced the closure of its mining equipment subsidiary, McKenzie and Brown, at Caernarvon, North Wales, with the loss of over 80 jobs.

Philip Stephens examines the trend towards the creation of part-time employment for women

Slipping backwards to a low-wage service economy

THE Government has recently made much capital of the rise in employment that the economic recovery is at last delivering in Britain.

The underlying unemployment total is still rising. Last month, for the second consecutive month, it hit a post-war high.

Ministers from Mrs Margaret Thatcher downwards, however, have understandably focused on the parallel increases in the number of jobs in the economy.

Officials at the Department of Employment have expressed themselves baffled by the apparent paradox between simultaneous increases in employment and in the jobless total.

The paradox remains after making allowance for the natural increase in the labour force, although it presumes that the employment figures, which include a fair dose of guesswork, are accurate.

In a little-publicised study, however, the Manpower Services Commission recently claimed to have solved the puzzle. The analysis is worrying both for the unemployed and the Government.

In net terms, every job created in Britain in 1983—the second year of economic recovery—was a part-time job for a woman.

The Commission's analysis of employment trends shows that full-time employment for both sexes actually fell last year in spite of the 3 per cent economic growth rate.

The total number of people in jobs, including self-employment and the armed forces, grew by about 150,000.

The Commission's figures, however, show that within that total were 30,000 fewer men and 180,000 more women.

It would be sexist to argue that it is a bad thing, *per se*, that women rather than men are getting the new jobs. It can be reasonably be argued that a more balanced share-out of work between men and women is a welcome development.

What is worrying about the figures is the composition of the new jobs.

The net employment gain for women, concentrated in the services sector, has consisted entirely of new jobs for part-time workers.

Even retailing, one of the main beneficiaries of what has so far been a consumer-led recovery, has sacked full-time workers, replacing them with cheaper part-time labour.

That incidentally may help to explain why retailers have been able to keep their margins so low.

A similar pattern is found in the hotel and catering industry.

Manufacturing, production and construction industries continued to shed labour in spite of the upturn in output.

The puzzle is solved. The number of new jobs about matched the natural growth in the labour force last year, but most went to women who had not registered as unemployed. Hence a rise of about 140,000 in the adult unemployment total.

The shift to part-time work is not a new trend. Between 1971 and 1981 the number of full-time jobs, mainly in manufacturing and held by men, fell by 1.7m, while the number of part-time jobs, mostly going to women, rose by 1m.

The difference is that unemployment now is nearly 2m higher than it was a decade ago.

The gloomy prospect, then, is of an economic recovery which delivers new jobs but of a type that take us backwards towards a low-wage service economy.

It is not that a transition to a service-orientated economy is a bad thing. The problem is that much of the growth is coming in services which are not tradable, and so will be insufficient to balance declining export revenues

The difficulties have been seen in the U.S. where the obverse of a dynamic employment growth has been stagnant productivity and wages.

Noone, least of all Government ministers, is forecasting that unemployment will fall by much over the next few years. If last year's trend continues, however, it could actually rise further

Research by Mr Gavyn Davies of Simon & Coates, the stockbrokers, suggests that up to 1m people who left the labour force during the recession could be waiting on the sidelines to take the new jobs expected over the next few years.

To that total must be added a net figure of around 120,000 a year to take account of the natural increase in the labour force.

Mr Nigel Lawson, the Chancellor, has made it clear that there is no place for direct measures to cut unemployment within his macro-economic framework; but the reliance on micro-economic policies runs the risk of bringing more jobs and higher unemployment simultaneously.

Against this background, a wider unemployment debate seems urgently necessary, with the Government listening to arguments for more public investment, the unions and opposition ready to talk about wage restraint, and the employers ready to talk about shorter working time and job-sharing.

Unemployment continues underlying upward trend

UNEMPLOYMENT in the UK rose by 8,300 to a seasonally adjusted 3.036m in June, reaching a post-war record for the second consecutive month.

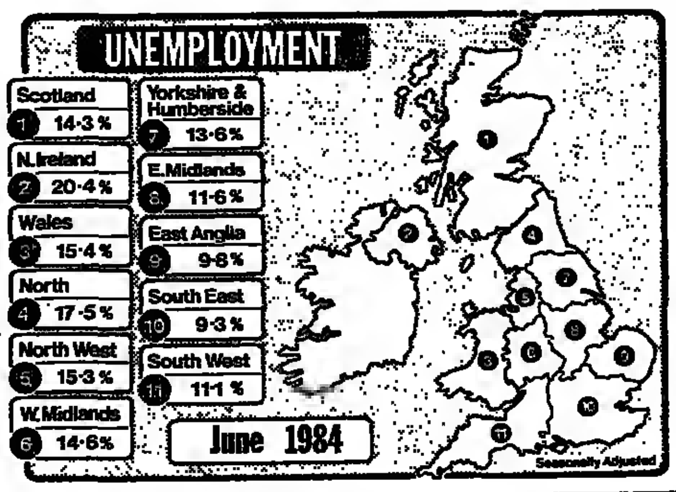
The unadjusted figure, including school-leavers, fell by *54,700 to 3.030m. A further* 123,600 people who left school this summer were jobless.

Over the last three months, the rise in the underlying total has averaged 8,200 a month, down from 21,800 in the first three months of the year.

The biggest increase has been in the north, where unemployment increased by 0.4 percentage points to 17.5 per cent in the second quarter.

In Northern Ireland, 20.4 per cent were unemployed in June; in the north of *England the figure was 17.5* per cent, and in Wales, 15.4 per cent.

The South East, with 9.3 per cent, and East Anglia, with 9.8 per cent, still have unemployment rates below the 12.6 per cent national average.



Enterprise to urge rejection of RTZ offer

By Dominic Lawson

SHAREHOLDERS in Enterprise Oil, the company just privatised by the Government, will today receive its formal reply to the bid by Rio Tinto-Zinc for up to 29.9 per cent of its shares.

RTZ, the UK based mining company, already holds 14.7 per cent of Enterprise's shares and is offering up to 110p each for those it still needs to reach its target. Enterprise's share price yesterday closed at 103p, unchanged on the day.

Enterprise will advise shareholders not to tender for RTZ's offer. It will argue that although RTZ is prepared to pay over the market price for its shares a bigger premium should be paid since RTZ is effectively mounting a bid for partial control of the company.

Although Sir Alistaire Frame, RTZ's chief executive, was in touch with Enterprise's board yesterday, the first meeting between the two boards will not take place until after the result of the offer is known. The offer closes on Tuesday at 3.30 pm and the outcome is likely to be known on Wednesday.

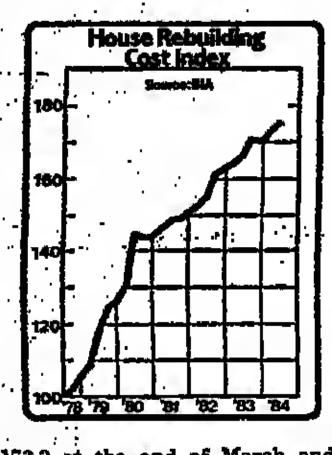
A number of sub-underwriters to the original offer of Enterpris shares may still consider they have too much stock and be willing to sell at any price over the 100p a share they paid

Rebuilding costs rise 1.4%

By Eric Short

HOUSE REBUILDING costs rose by 1.4 per cent in the second quarter of this year, according to figures issued yesterday by the British Insurance Association.

The House Rebuilding Cost index, published by the association, rose by 175.7 points at the end of last month from



173.3 at the end of March and 166.7 a year ago. This was a rise of 5.4 per cent over the 12 months.

The index is calculated for the association by the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

It was launched in July 1978 with a starting value of 100. It is now calculated on a three-monthly basis at each quarter's end.

The index's main purpose is to provide information on movements in rebuilding costs so that householders can adjust sums insured on buildings insurance.

Homes should be insured for rebuilding cost and not for market value. A house insured for £40,000 a year ago should now be insured for £42,160.

● House prices are rising moderately and no boom is taking place, Britain's largest building society, the Halifax, said yesterday. The society's figures show prices rose by an average 6.8 per cent only in the year to last month. In the past three months there was a 3.7 per cent rise. For 1984 as a whole the society is forecasting a rise of about 8 per cent.

Lloyd's agency chairman steps down

By John Moore, City Correspondent

MR RICHARD OUTHWAITE has stepped down as chairman of an influential underwriting agency in the Lloyd's insurance market to spend more time on underwriting.

Mr Outhwaite, who has built up the agency over the last few years and is managing two of the larger insurance syndicates in the market and the affairs of over 2,000 members of Lloyd's, announced his plans to underwriting members in a letter last month.

He said additional administrative burdens had arisen following the passage of the new Lloyd's Act. "On a personal level I have found it more and more difficult to keep adequate control over these extraneous matters while still ostensibly being mainly engaged as the underwriter."

He added: "I have therefore decided that it is time to shed some of the load." He has stepped down as chairman with effect from the beginning of this month and handed over to Mr Maurice Hussey, deputy underwriter to the syndicates. "This, I hope, will enable me to spend more time on underwriting" Mr Outhwaite said.

In other recent moves, Merrett Syndicates, one of the largest agencies in the Lloyd's market to have introduced members to the Outhwaite syndicates, has given provisional notice that it intends to withdraw from them unless questions about the underwriting results are clarified.

Mr John Robson of Merrett Syndicates said yesterday that 104 members had been introduced to the Outhwaite syndicates.

Linwood plant leased

THE FORMER Talbot car plant at Linwood, Scotland, is to be split up and let to a range of commercial users. Talbot said yesterday that it had granted a 125-year lease on the 400-acre site, next to Glasgow Airport, to Portal Developments, a Merseyside development company.

Portal is forming a company with two other Merseyside developers to divide the 3.25m sq ft floorspace and to offer it as industrial, warehousing and office space to tenants. Spare land will be used for new buildings.

MPs urge review as 54 Bills fall

BY KEVIN BROWN

LABOUR MPs demanded a review of procedure in the Commons last night after 54 Bills introduced in the past eight months were killed off without a vote in fewer than 20 minutes. Most of the Bills were killed by a seated government whip shouting "object."

This time-honoured device ensured the Bills would not receive a Second Reading yesterday, the last available day, and would consequently fall at the end of the parliamentary session in a few weeks' time.

The procedure is used by governments to avoid clogging the parliamentary timetable with Private Members Bills but is much criticised by backbenchers, its main victims.

Labour MPs affected outraged yesterday at the refusal of Mr Tristan Garel-Jones, Tory MP for Watford and the whip in question, to stand and face the House while killing their Bills.

Mr Garel-Jones caused further uproar by conducting some of his executioner's duties with his feet placed on the table between Conservative and Labour benches, a favourite pose for seated ministers.

Labour complaints that the procedure would mystify anyone but MPs drew short shrift, however, from Mr Paul Dean, Deputy Speaker. He said: "There are some procedures of this House which mystify some of use who are Members."

Most Bills killed by Mr Garel-Jones were introduced to test opinion in the House. There were, however, some serious casualties including a Bill to promote generic substitution of drugs in the Health Service and another to improve facilities for the disabled.

As tempers mounted, Labour MPs retaliated by killing some Tory backbench Bill approved by the Lords.

Mr Greville Janner, Labour MP for Leicester West accused the Government of qualifying, for the Guinness Book of Records, for the greatest legislative slaughter in the shortest possible time. He said Government whips had killed off an order-paper full of useful Private Members Bills without the guts and decency to stand up and admit what they were doing.

Later Mr Janner, a member of the Commons Select Committee on Procedure, pledged to campaign for a review in the next session. He said the system was dreadful, old-fashioned, archaic, uncompassionate.

● The Video Recordings Bill to outlaw video-nasties and set up a video-classification system completed its final parliamentary stage yesterday and is expected to become law next week. It was described by Mr Leon Brittan, Home Secretary, as a swift and effective means of dealing with the serious problem of video nasties.

Tory MPs press for new London council

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

CONSERVATIVE opposition could push the Government's strategy for abolishing the Greater London Council and the six metropolitan county councils further off course.

London Tory MPs and some on the left of the party are pressing for the establishment of a statutory authority for the whole of London, and some Cabinet ministers appear sympathetic.

This emerged at the end of a week in which the chances of Mr Patrick Jenkin moving from his post as Environment Secretary in an autumn reshuffle appear to have strengthened.

Opposition to the Government's strategy has so far focussed on the constitutional improprieties of changing the political complexion of the councils without elections. It now looks, however, as though Tories are beginning to have second thoughts about the substance of the legislation and are losing confidence in Mr Jenkin's ability to steer the programme through parliament.

They were not reassured by Mr Jenkin's performance in the Commons on Thursday when against his will he was forced to make a statement outlining the Government's compromise deal with the House of Lords. His hand was forced when Lord Whitelaw, Government leader in the Lords, insisted that peers should be told of the Government's plans.

Following its defeat in the Lords on the Paving Bill cancelling next year's council elections, the Government has decided to extend the terms of the present councils until the main Bill abolishing them becomes law. Strict financial curbs will be imposed on them in the intervening year or so to prevent them taking "unreasonable action" such as entering into long-term financial commitments.

Amendments to this effect will be introduced when the Bill reaches its report stage in the Lords on July 18.

Support for the idea of a new London authority surfaced in the Commons during Mr Jenkin's statement on Thursday. Mr Francis Pym and Mr David Howell openly urged the plan and other Tory MPs privately endorsed it later.

However, such a move could present the Government with fresh headaches. Some Tories would be content with a new authority based on inner London but this might well be permanently dominated by Labour. If, however, such an authority were broadened to include the Greater London area it could begin to look suspiciously like an even bigger Government climbdown.

Treasury to take hard line on spending requests

BY PETER RIDDELL, POLITICAL EDITOR

THE TREASURY will take a tough view of bids from Whitehall departments for any additional £3bn plus public expenditure following the Cabinet's agreement on Thursday to hold the total for 1985-1986 to the previously announced figure of nearly £132bn.

Mr Peter Rees, the Chief Secretary to the Treasury has been authorised to begin bilateral discussions with spending departments to eliminate the excess. This will lead up to the usual autumn financial statement in November. His main priority will be to contain spending to offset the increases in demand from determined services such as social security.

The Cabinet agreed to stick to the totals for next year announced in the last public expenditure White Paper in February. It also agreed that expenditure in 1987-1988 should be broadly at the same level, in real terms, as in the previous year. This implies a tough stance.

Mr Nigel Lawson, the Chancellor of the Exchequer, apparently gave a cautiously optimistic view of continued economic recovery together with the assurance that the cost of the miners' strike should be able to be contained within the contingency reserve of £2.75bn for 1983-1984.

Chancellor rejects unitary tax retaliation against U.S.

BY MARGARET VAN HATTEM

THE GOVERNMENT has rejected for the moment Tory backbench proposals for retaliatory action against the U.S. on unitary taxation.

Mr Nigel Lawson, the Chancellor, said yesterday that it would be premature to insert into the Finance Bill a clause to this effect such as that proposed by Sir William Clark, Tory Backbench Finance Committee chairman.

Sir William has tabled a clause which would give the Government enabling powers to withdraw from U.S. corporations established in unitary states their relief from UK tax on dividends paid by their UK subsidiaries.

Writing to Mr Michael Grylls, MP for Surrey NW, another member of the committee, Mr Lawson said introduction of the clause at this stage could undermine present negotiations between the U.S., state governments and representatives of U.S. business.

He said the Government remained committed to securing a satisfactory solution of the unitary tax question. He had written to Mr Donald Regan, U.S. Treasury Secretary, expressing concern and pressing him to legislate if the states refused to introduce satisfactory legislation.

Ford signals continuation of car sales war

Financial Times Reporter

FORD HAS launched a new dealer incentive scheme, signalling that there will be no relaxation in the car sales war in August, the peak sales month.

Austin Rover, BL's subsidiary, has rejoined the battle with incentives giving up to £450 extra on Maestro and £200 on Metro. The new Montego, however, is not being given special support.

General Motors, the Vauxhall-Opel group, is expected to launch a campaign once it has analysed Ford's move even though it has been short of cars because of the West German metalworkers' strike.

Ford has reduced the intensity of its effort in the latest campaign. For example, the top extra bonus a dealer can earn is £250 a car compared with £450 in the incentive programme which ended on June 30.

That programme helped boost Ford's share of the new car market last month to 31.37 per cent. Of the 43,827 Fords sold in June, 11,000 were registered in the last five days.

The intense promotional activity lifted car sales last month to 139,722, or 4.5 per cent above the corresponding month last year.

Over the six months the top 10 best-sellers were: 1 Ford Escort (86,345 sold); 2 Vauxhall Cavalier (78,391); 3 Austin Metro (69,287); 4 Ford Fiesta (68,132); 5 Ford Sierra (65,685); 6 Austin Maestro (30,522); 7 Vauxhall Astra (34,330); 8 Vauxhall Nova (30,422); 9 Ford Orion (27,927); 10 Volvo 300 (18,600).

Advertisers hit home

MORE THAN 1.088bn items of promotional material were mailed to British homes last year costing £122m in postage alone, the Advertising Association said yesterday. Total spending on all advertising exceeded £3,579m last year, more in real terms than the previous record set in 1973.

Old Master sold

CHRISTIE'S ENDED a hectic week of Old-Master picture sales by disposing of The Plague at Athens by Michiel Sweerts yesterday for £972,000, to Richard Feigen, a New York dealer. In 1816 Christie's sold the painting for 200 guineas.

Deptford jobs lost

MOLINS, the cigarette-machinery maker, is making 350 workers redundant at its Deptford, London, works, where it employs 1,175. The company said the action was made necessary by many years of heavy losses there.

House of Fraser

THE Financial Times this week reported a ruling by the Department of Trade concerning the House of Fraser board. We have been asked to point out that Mr Ernest Sharp was brought on to the House of Fraser board following pressure from institutional investors that the board be strengthened by non-executive directors.

Mr Sharp was chosen by the board from a list of possible candidates. Before agreeing to take up this appointment, he made it clear that he would only do so to serve the interests of all shareholders of House of Fraser rather than any section of them.

Irish make satellite broadcasting proposal

BY RAYMOND SNODDY

RTE, the Irish broadcasting organisation, and Radio Tele Luxembourg are among the 15 groups which have expressed interest in participating in Britain's joint venture in direct broadcasting by satellite (DBS).

The Irish submission of a proposal to the Independent Broadcasting Authority to be part of the "third force" in addition to the BBC and the ITV companies is particularly surprising. RTE is part of a consortium bidding to run an Irish DBS service which would cover most of the UK as well as Ireland.

Both the Irish and the Luxembourg proposals could raise constitutional difficulties. Although EEC commercial organisations are able to take part in the £400m project, it is not clear whether foreign broadcasting organisations can.

Interviews of all 15 bidders will start next week, and the IBA is expected to take its decision on the most suitable participants at its meeting on July 18.

The BBC governors, who have a right to veto IBA recommendations, will consider the position at their board meeting the following day. Mr Leon Brittan, the Home Secretary, is expected to decide on the recommendations before the end of August.

Apart from the two broadcasting organisations, there is a wide spread of expertise in the applications, covering technology, programming and domestic rentals.

As expected, Thorn EMI has submitted a proposal as has Granada TV Rentals. Granada recently bought Rediffusion's television rental business. Both cable television film channel, Premiere and TEN are represented as well as S. Pearson, publishers of the Financial Times.

Virgin Group, the record, film and airline company, joins Carlton Communications.

The six companies to express an interest are smaller, several of them set up especially to take part in the DBS project.

They are: Cable and Satellite Telecommunications, a small Essex company interested in software and inexpensive receiving equipment; Atlas Leisure, a pub entertainment group; Personnel and Electronics; Research Recordings and World Communications, a company name apparently represented by a private individual. The final proposal has come from Nigel Ryan and colleagues.

The BBC is to hold 50 per cent of the venture and the ITV companies between 25 and 30 per cent with the "third force" holding the remainder.

Government acts to alter monopolies probe criteria

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE GOVERNMENT has decided to raise the qualifying criteria for determining which mergers should be given closer scrutiny by the Monopolies and Mergers Commission.

The move, which takes effect from July 26, is expected to reduce the number of mergers which qualify for investigation from 200 to 150 a year. The change forms part of a new approach to mergers announced and Industry Secretary, in the Commons on Thursday.

Since 1980, any takeover of a company with gross assets of £15m or more has been liable to investigation by the commission. However, the financial month will be raised to £30m.

"The increase is intended to secure a worthwhile reduction in the number of small and insignificant mergers caught by the legislation," Mr Tebbit said.

He made it clear that while proposing no change in the basic framework of the present legislation concerning mergers, the policy in future would be to make references to the commission "primarily on competition grounds."

APPOINTMENTS

New chief at Legal and General

Mr T. J. Palmer has become group chief executive of LEGAL AND GENERAL GROUP. He will be retaining the position and responsibilities of chief general manager of Legal and General Assurance Society. Mr Emrys Wynn Owen has been appointed deputy group chief executive from the same date and will continue his responsibilities as chief general manager of Legal and General International.

★

Mr James Forbes has been appointed a non-executive director of STEETLEY. He was formerly vice-chairman of Tate and Lyle and finance director of Cadbury Schweppes. He is a director of Compass Hotels and a part-time Forestry Commissioner.

★

Mr Ron Peet has joined the board of STOCKLEY as chairman on his retirement as group chief executive of Legal and General Group.

★

At ELDRIDGE, POPE AND CO, Dorchester, Mr Bill Hair, who has been wines director since 1958, has retired through ill health. Mr Joe Naughalty, who joined the company two years ago from Avery's of Bristol, becomes director wines and spirits.

★

BRITANNIA ARROW HOLDINGS has appointed Mr M. R. Field as administration director of the National Employers Life Assurance Group from August 1.

★

SHORT BROTHERS, Belfast, has appointed Sir John Charnley as senior technical and scientific advisor. He was Controller of Research and Development Establishments and research for all defence science and technology. He retired from MoD in 1982.

★

Mr Martyn Ferguson Jones, group sales manager at British Airways, becomes managing director of OLYMPIC HOLIDAYS and Travel World Olympic on July 23 after over 20 years with the national carrier.

★

COMDIAL COMMUNICATIONS SYSTEMS has appointed as managing director Mr Graham Burke, previously managing director of Plessey Communications Systems.

★

From July 8 Mr A. N. Binder, regional co-ordinator — Middle East, and Mr W. Wood, regional co-ordinator — Africa and South Asia, have been appointed directors of SHELL INTERNATIONAL PETROLEUM CO.

★

SAMUEL MONTAGU AND CO. has appointed Mr Robert Opiat as an executive director. He will be responsible for the banking and finance division's activities in the Asia-Pacific region.

$ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, July 4, 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economic Dept., E.M.E.A. London
Eurodollar Libor as of July 4 at 11.00 a.m.
3 months: 12 1/16 6 months: 12 7/8

ECU=$US.795988 SDR1=$US1.0268
Sibor as of July 4 at 11.00 a.m.
3 months: 12 3/4 6 months: 12 15/16

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	7.5429
Algeria	Dinar	4.983
Andorra	Fr. Franc	8.62
	Sp. Peseta	159.36
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (f)	51.662
Australia	Dollar	1.1666
Austria	Schilling	18.716
Azores	Port. Escudo	148.00
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3736
Balearic Is	Sp. Peseta	156.56
Bangladesh	Taka	24.80
Barbados	Dollar	2.0115
Belgium	Franc (C)	57.105
	Franc (F)	57.835
Belize	Dollar	2.00
Benin	C.F.A. Franc	431.00
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	11.28
Bolivia	Peso (1)	2000.00
Botswana	Pula	1.2323
Brazil	Cruzeiro	1748.60
Brunei	Dollar	2.1382
Bulgaria	Lev	1.007
Burma	Kyat	7.6261
Burundi	Franc	116.467
Cameroun Rp.	C.F.A. Franc	431.00
Canada	Dollar	1.3203
Canary Is	Sp. Peseta	162.36
Cape Verde Is	Escudo	80.00
Cayman Is	Dollar	0.835
Cen. Africa Rep	C.F.A. Franc	431.00
Chad	C.F.A. Franc	431.00
Chile	Peso (O)	61.66
China	Renminbi Yuan	2.2653
Colombia	Peso (O)	100.55
Comoros	C.F.A. Franc	431.00
Congo Pple Rep.of	C.F.A. Franc	431.00
Costa Rica	Colon	43.76
Cuba	Peso	0.8602
Cyprus	Pound*	1.7186
Czechoslovakia	Koruna (O)	6.55
Denmark	Krone	10.295
Djibouti Rp. of	Franc	184.85
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
	Peso (f)	2.78
Ecuador	Sucre (O)	83.94
	Sucre (a)	89.40
	Sucre (b)	89.05
Egypt	Pound* (O)	1.4286
	Pound*	1.1222
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	318.72
Ethiopia	Birr (O)	2.0538
Faeroe Is'd	Dan. Krone	10.295
Falkland Is'd	Pound*	1.339
Fiji	Dollar	1.0788
Finland	Markka	5.921
France	Franc	8.26
Fr. C'ty in Af	C.F.A. Franc	431.00
Fr. Guiana	Franc	8.62
Fr. Pac. Is'd	C.F.P. Franc	132.727
Gabon	C.F.A. Franc	431.00
Gambia	Dalasi	3.7341
Germany (E)	Ostmark (O)	2.809
Germany (W)	Mark	2.806
Ghana	Cedi	35.00
Gibraltar	Pound*	1.329
Greece	Drachma	110.76
Greenland	Dan. Krone	10.295

COUNTRY	CURRENCY	VALUE OF DOLLAR
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	8.62
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	91.8603
Guinea Rep.	Syli	24.041
Guyana	Dollar	5.75
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	7.919
Hungary	Forint	49.049
Iceland	Krona	30.09
India	Rupee	11.22
Indonesia	Rupiah	1017.00
Iran	Rial (O)	89.2211
Iraq	Dinar	0.3109
Irish Rep	Punt*	1.0893
Israel	Shekel	238.84
Italy	Lira	1726.30
Ivory Coast	C.F.A. Franc	461.00
Jamaica	Dollar (o)	3.87
Japan	Yen	269.23
Jordan	Dinar	0.5776
Kampuchea	Riel	n.a.
Kenya	Shilling	14.0409
Kiribati	Aust. Dollar	1.1669
Korea (Nth)	Won	0.94
Korea (Sth)	Won	806.40
Kuwait	Dinar	0.2986
Lao P'ple D. Rep.	Kip	35.00
Lebanon	Pound	3.9176
Lesotho	Loti	1.4235
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n.	Sw. Franc	2.3222
Luxembourg	Lux. Franc	57.105
Macao	Pataca	8.1268
Madagascar D. R.	Franc	592.226
Madeira	Port. Escudo	148.00
Malawi	Kwacha	1.6272
Malaysia	Ringgit	6.3226
Maldive Is.	Rufiyaa (O)	6.93
	Rufiyaa (M)	7.05
Mali Rp	Franc (e)	862.00
	C.F.A. Franc (4)	431.00
Malta	Pound*	2.2022
Martinique	Franc	8.62
Mauritania	Ouguiya	67.03
Mauritius	Rupee	13.59
Mexico	Peso (d)	185.40
	Peso (e)	167.98
Miquelon	Fr. Franc	8.62
Monaco	Fr. Franc	8.62
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	8.70
Mozambique	Metica	42.166
Namibia	S.A. Rand	1.4235
Nauru Is	Aust. Dollar	1.1669
Nepal	Rupee (1)	12.10
Netherlands	Guilder	3.129
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	1.5866
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	431.00
Nigeria	Naira	0.7518
Norway	Krona	8.074
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	15.987
Panama	Balboa	1.00
Papua N.G.	Kina	0.9006

COUNTRY	CURRENCY	VALUE OF DOLLAR
Paraguay	Guarani (O) (3)	640.00
	Guarani (d)	400.50
Peru	Sol	3363.66
Philippines	Peso (7)	18.045
Pitcairn Is	N.Z. Dollar	1.5866
Poland	Zloty (O)	113.80
Portugal	Escudo	148.00
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.641
Reunion, Ile de la	Fr. Franc	8.62
Romania	Leu (O)	4.75
Rwanda	Franc	100.022
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.336
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	8.62
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala*	1.819
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1765.50
Sao Tome & Principe DR	Dobra	44.026
Saudi Arabia	Riyal (8)	3.51
Senegal	C.F.A. Franc	431.00
Seychelles	Rupee	7.0437
Sierra Leone	Leone	6.51
Singapore	Dollar	2.1322
Solomon Is.	Dollar	1.2876
Somali Rep	Shilling	16.0694
South Africa	Rand	1.4236
Spain	Peseta	156.36
Span. Ports in N. Africa	Sp. Peseta	159.66
Sri Lanka	Rupee	26.19
Sudan Rep	Pound*	0.7696
Surinam	Guilder	1.782
Swaziland	Lilangeni	1.4256
Sweden	Krone	8.2145
Switzerland	Franc	2.3226
Syria	Pound (O)	3.226
Taiwan	Dollar (O)	39.71
Tanzania	Shilling (9)	17.05
Thailand	Baht	26.98
Togo Rep	C.F.A. Franc	431.00
Tonga Is	Pa'anga	1.1662
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.7533
Turkey	Lira	371.37
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.1669
Uganda	Shilling (8)	327.22
United Arab Emir.	Dirham	3.2727
Utd. Kingdom	Pound Sterling*	1.332
Upper Volta	C.F.A. Franc	431.00
Uruguay	Peso	54.13
USSR	Rouble	0.80
Vanuatu	Vatu	103.428
Vatican	Lira	1725.50
Venezuela	Bolivar (g)	7.30
	Bolivar (g) (2)	4.30
	Bolivar (h)	13.88
	Bolivar (i)	13.70
Vietnam	Dong (O)	10.108
Virgin Is. Brit	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	3.30
Yemen PDR	Dinar	0.3425
Yugoslavia	Dinar	144.12
Zaire Rep	Zaire	36.5264
Zambia	Kwacha	1.7615
Zimbabwe	Dollar	1.2158

n.a. Not available. (m) Market rates. * U.S. dollars per National Currency unit. (a) Freemarket central bank. (o) Official rate. (b) Freemarket inter-bank. (c) Commercial rate. (d) Freemarket. (o) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non-essential imports. (i) Floating tourist rate. (1) Nepal: May 9, Rupee officially devalued by 2.17 per cent. (2) Venezuela: For debts incurred prior to February 1983. (3) Paraguay: Official devaluation to 240 Guarani from 160 to the Dollar, May 22. (4) Mali Rp.: has rejoined U.M.O.A. and effective June 1 CFA franc is official currency. (5) Mali Rp.: Mali Franc remains legal tender for three months from June 1. (6) Saudi Arabia: Riyal revalued from 3.52 to 3.51, June 6. (7) Philippines: Currency allowed to float, June 9. (8) Uganda: June 14. Two-tier system abolished. (9) Tanzania: June 14. Official devaluation of 25.9 per cent. For further information please contact your local branch of the Bank of America.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at June 29, 1984 are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for December 30, 1983 both before and after the 1983 year-end changes.

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)		Market capitalisation as at June 29, 1984 (£m.)	% of all share index	Market capitalisation as at Mar. 30, 1984 (£m.) †	% of all share index †	Market capitalisation as at Dec. 30, 1983 (£m.)	% of all share index
1	CAPITAL GOODS GROUP	(204)	29,866.8	19.70	30,113.0	19.95	28,788.3	16.86
2	Building Materials	(23)	4,146.4	2.74	4,267.4	3.00	4,468.9	3.08
3	Contracting, Construction	(31)	2,097.4	1.39	2,488.0	1.56	2,168.2	1.49
4	Electricals	(14)	1,186.0	0.79	1,346.3	0.64	1,347.5	0.93
5	Electronics	(31)	11,804.6	7.82	12,057.5	7.42	10,980.6	7.97
6	Mechanical Engineering	(26)	4,774.3	3.18	4,770.5	2.66	4,174.7	2.88
8	Metals and Metal Forming	(6)	1,128.2	0.72	1,211.6	0.81	1,165.2	0.78
9	Motors	(17)	200.2	0.00	1,002.8	0.65	880.6	0.61
10	Other Industrial Materials	(17)	3,793.6	2.61	4,161.8	2.58	3,642.6	2.51
21	CONSUMER GROUP	(123)	49,289.0	32.64	52,626.8	32.68	46,070.0	31.77
22	Brewers and Distillers	(26)	7,214.2	6.24	7,847.3	4.87	6,656.6	4.96
25	Food Manufacturing	(26)	6,132.1	4.07	6,692.2	4.18	6,247.7	4.31
26	Food Retailing	(12)	4,563.9	3.02	5,032.8	6.16	4,353.6	6.00
27	Health and Household Products	(2)	7,112.6	4.71	7,149.4	4.44	2,394.6	4.41
66	Leisure	(22)	2,344.5	2.21	3,801.5	2.36	3,465.1	2.69
32	Newspapers, Publishing	(13)	1,054.0	0.70	1,035.6	0.64	859.6	0.59
33	Packaging and Paper	(16)	1,727.6	1.16	2,004.0	1.26	1,610.3	1.11
34	Stores	(46)	10,866.8	7.16	16,430.0	7.72	10,898.0	7.52
36	Textiles	(20)	1,622.9	1.12	1,890.7	1.17	1,641.2	1.06
38	Tobaccos	(3)	4,647.1	2.08	4,480.1	2.78	6,808.9	6.63
39	Other Consumer	(6)	214.2	0.16	851.0	0.10	634.4	0.10
41	OTHER GROUPS	(87)	15,827.7	10.53	15,887.0	9.84	14,472.8	9.98
42	Chemicals	(18)	2,704.7	3.78	8,078.0	2.78	8,618.0	4.29
44	Office Equipment	(4)	606.8	0.40	704.1	0.44	566.8	0.38
45	Shipping and Transport	(14)	1,522.3	1.01	1,606.6	1.00	1,462.0	1.01
42	Miscellaneous	(31)	8,060.9	5.34	7,450.6	4.62	6,245.0	4.30
49	INDUSTRIAL GROUP	(484)	95,013.5	62.65	100,672.9	62.47	89,335.1	51.60
51	Oils	(16)	18,690.8	12.38	12,566.9	12.13	17,109.7	11.80
59	500 SHARE INDEX		112,704.2	76.21	120,102.2	74.60	105,444.8	73.40
61	FINANCIAL GROUP	(121)	24,491.0	16.22	26,482.4	16.43	25,620.8	17.57
62	Banks	(6)	5,434.2	3.60	5,197.9	5.96	5,802.7	4.01
93	Discount Houses	(7)	238.4	0.19	269.1	0.17	342.2	0.17
65	Insurance (Life)	(6)	3,457.1	2.22	3,719.7	2.31	2,823.4	2.66
66	Insurance (Composite)	(2)	4,752.2	3.13	5,000.1	3.11	5,186.7	3.68
67	Insurance Brokers	(6)	1,334.3	0.88	1,275.6	0.79	1,152.7	0.90
68	Merchant Banks	(12)	1,409.5	0.96	1,720.6	1.07	1,670.0	1.15
66	Property	(55)	6,761.5	3.81	6,870.6	3.64	6,430.1	3.74
70	Other Financial	(19)	2,114.2	1.40	2,422.1	1.61	2,266.0	1.56
71	Investment Trusts	(104)	8,231.6	5.45	9,073.7	5.64	8,486.8	5.86
81	Mining Finance	(4)	3,049.7	2.02	3,580.1	2.22	3,012.9	2.08
91	Overseas Traders	(14)	1,303.3	1.00	1,760.4	1.09	1,486.4	1.00
99	ALL-SHARE INDEX	(743)	150,998.3	100.0	150,999.3	100.0	143,020.7	100.0

† After year-end changes.

HOW THE MINERS ON STRIKE HAVE BEEN MISLED...

4. ABOUT THE PLAN FOR COAL.

Miners who are on strike are angry. And it's easy to understand why.

They are angry because of what they have been told by their leaders.

But have they been told the truth?

The sad thing is that this strike is totally unnecessary.

To get them out on strike, our miners have been deliberately misled by their leaders. Causing both bitterness and hardship among miners.

If it goes on long enough, the strike threatens up to 30 good pits with permanent closure. And it could cost not only miners, but also steel workers and railwaymen jobs that should not be lost.

It will drive away future coal customers.

It will make coal more difficult to sell.

Surely, this isn't what our miners want.

That's why, day by day, the Coal Board is publishing the facts. Facts that have been buried by the emotion, and the propaganda of the strike.

Has Plan for Coal's investment been honoured?

Time and time again, the miners' leaders have accused the Coal Board of not honouring the Plan for Coal.

The Plan for Coal, drawn up in 1974 between the NCB, the mining unions and the Government, hoped for £4.3 thousand million to be invested in the coal industry between 1974 and 1985.

So far, £6.5 thousand million has been invested. That's £2 billion, or 50 per cent more than envisaged. (All figures are expressed in today's money).

Is Plan for Coal's production target being achieved?

Because Plan for Coal did not predict the effects of the fall in energy consumption, the forecast for coal demand in 1985 was about 20 million tonnes more than we now estimate will be used. But, in percentage terms, the Plan hoped that by 1985, coal would be providing a third of the nation's energy needs. Currently, we have a slightly better share of the market than forecast.

Is the industry being modernised – as hoped for by Plan for Coal?

Plan for Coal looked for 42 million tonnes of new capacity by 1985. All this capacity is now completed or under construction.

Plan for Coal expected that the new low-cost capacity would replace the worst, most uneconomic capacity.

Yet the miners' leaders refuse to recognise this.

The Final Tri-partite Report on the Plan for Coal said in paragraph 27: "inevitably some pits will have to close as their useful economic reserves of coal are depleted".

The Plan for Coal envisaged that between three and four million tonnes of capacity would be closed each year. Yet the average has been only about half that amount.

Since 1974, only 80 pits have closed. Just 12 per cent of our production is now directly costing more than £275 million a year to support. This is money that should be going into modernising our better pits – as Plan for Coal intended it would.

Britain is the only country in Western Europe that is investing so heavily in the future of coal.

The British coal industry has excellent prospects.

This strike – not the Coal Board – could butcher the industry.

That's why it is so important that this strike ends soon.

It was called by the miners' leaders. It now needs to be called off by the miners themselves.

NCB

One in a series issued by the National Coal Board.

Battersea seeks to generate sense of adventure in the City

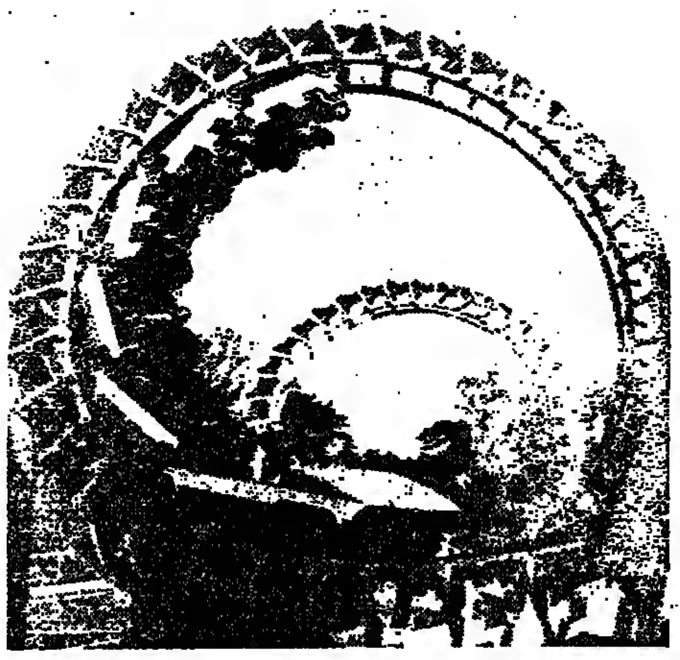
THIS YEAR the main attraction is the Black Hole, described in the leisure industry as a violent, "hard" ride, mainly for adventurous teenagers. In the past, the opportunity to go corkscrewing or get soaked on the Wet Flume, have all helped to attract more paying customers to Alton Towers leisure park in Staffordshire than to the Tower of London.

But Mr John Broome, the chairman and chief executive of Alton Towers, would like the park to be known as much for its 300 acres of parkland and gardens, its educational activity and craft-shops, as for its roller-coaster rides. Alton Towers is part of the consortium which this week won the Central Electricity Generating Board's competition to develop Battersea Power Station.

"Alton Towers has put an emphasis on entertainment and fantasy for the family day out for all ages from 2 to 92, and that's what we intend to do in Battersea," said Mr Broome, who is a member of the English Tourist Board.

The Battersea Power Station complex, which is expected to create up to 4,500 jobs, will differ from Alton Towers in that most of its activity will be indoors. One condition imposed on the buyers of the £1.5m, 16-acre site is that the structure of the building, which is listed as a Grade 2 historic structure, is not altered.

David Hellier looks at moves to expand the leisure park industry



The corkscrew ride at Alton Towers

Among the attractions planned for Battersea are craft shops in Covent Garden style, a British Empire section, and a mix of fantasy rides and shows.

The consortium formed to work on the £40m complex also includes Leisure and Recreation Concepts, a Dallas-based consultancy company which was involved in the feasibility study; Morgan Grenfell, the merchant bankers; and John Mowlem, the building and civil engineering contractors. The chairman is Sir David Roche, of Roche and Company, who have helped assemble the scheme.

It will probably be financed through a public issue as well as through City institutions. Local community groups viewed the leisure park proposal as the least attractive of the seven competing schemes, which included using the power station as an energy generating centre or a conference and exhibition site.

In general, the City has been only lukewarm about the leisure park industry. Capital costs are high, both at the initial stage and in keeping the parks up to date. Britain's weather does not make success any easier.

There are three major leisure parks in the country at present. Thorpe Park, the nearest to London, opened at Chertsey in 1979, and attracts about 1m people a year. Pleasurewood Hills American Theme Park, opened last year on a 50-acre site at Lowestoft in Suffolk, hopes attendances for this year's 18-week season will be 350,000. Then there is Alton Towers, near Uttoxeter, where attendances this year are expected to exceed 2m for the first time.

The more ambitious of two other leisure park proposals is the scheme to build a Wonder World at Corby at an initial cost said to be about £300m. The second is for a scheme called Britannia Park, which is being developed jointly by Derbyshire County Council and KLF (UK) at Ilkestone, Derbyshire.

Mr Broome reckons that Battersea could attract at least 3m visitors a year. He is confident there is sufficient demand for what he calls "upmarket" modern leisure entertainment in London.

Comparisons with Disneyland are irresistible, it seems. Mr Ken Livingstone, leader of the Greater London Council, has warned against the creation at Battersea of "Mickey Mouse" jobs like low-paid work in catering and cleaning. Mr Broome insists that he will require a highly-skilled workforce, comprising artists, engineers, and musicians, as well as cleaning and catering staff.

Maxwell's Mirror bid meets staff opposition

By Sue Cameron

MR ROBERT MAXWELL'S £80m bid for the Mirror group is meeting stiff opposition from staff on the newspapers.

Mr Maxwell's Pergamon Press made its offer to Reed International, the owner of Mirror Group Newspapers, on Wednesday and said the bid could be increased to £100m "if justified by the financial and other information."

But the National Union of Journalists and Sogat '82, the print union, have now said they are "totally opposed" to Mr Maxwell or "any other individual person" acquiring the company.

In a joint statement the two unions said they supported plans for MGN to become an independent company with a wide spread of shareholders.

Reed, which is planning to float MGN later this month, responded to Mr Maxwell's bid with a formal statement saying it was going ahead with preparations for the Stock Exchange listing. However, Reed has been careful not to issue an outright rejection of Mr Maxwell's offer and it is understood the bid has been the subject of a series of board level meetings.

City estimates of what the MGN flotation could raise have varied from £70m to £85m. The group, which had a trading profit of £5.2m in 1983-84, includes the Daily and Sunday Mirror, the Daily Record and Sunday Mail in Scotland, the Sunday People and Sporting Life.

The statement issued by the NUJ and Sogat said Mr Maxwell would "undoubtedly insist on manning reductions as part of any deal to take over MGN, not only in London but in Manchester and Glasgow as well." It added that all unions dealing with Mr Maxwell had found the "greatest difficulty in negotiating with him in good faith in the past."

The two unions stated that a successful bid by Mr Maxwell would raise "major questions of monopoly." They pointed out that Mr Maxwell already owned "a large proportion of general printing in Britain and that in itself involves considerable personal power."

Meanwhile, Mr Maxwell said yesterday he was selling the Clare group of West Country newspapers which include the Wells Journal, the Central Somerset Gazette, the Shepton Mallet Journal, the Cheddar Valley Gazette, the Frome Journal and the Bridgewater Journal.

The move is thought to have been designed to prevent action by the Department of Trade and Industry, which has an obligation to examine any newspaper acquisition made by someone who is already a newspaper proprietor.

Mr Maxwell said last night it was "regrettable" that the "press personalises everything." He added that he would address himself to any question of overmanning at MGN if and when he had bought it.

Man in the news, Back Page

NGA to back Willis for top TUC post

THE print union the National Graphical Association will support Mr Norman Willis, the TUC's deputy general secretary, in the contest to succeed Mr Len Murray as general secretary.

The decision, announced yesterday, of the 120,000-strong NGA to nominate Mr Willis for the post further widens his lead over his rival, Mr David Lea, assistant general secretary of the TUC.

Mr Willis can probably count on more than 3.5m committed votes. Mr Lea has some 1m committed votes, with hopes of securing at least 1.3m more. Nominations for the general secretaryship close on July 16.

ITV cancels Olympics coverage

BY DAVID GOODHART, LABOUR STAFF

ITV'S coverage of the Los Angeles Olympics was cancelled yesterday after the Independent Television Companies Association failed to reach agreement on staffing levels with the main technicians union, the Actt.

The ITV companies will lose nearly £2m that they have already spent in preparation for the Olympics coverage but the effect on ratings and advertising revenues is not expected to be too serious.

The disagreement centred on three production assistants—out of an ITV sports unit of 65—who the association said were superfluous and the Actt said were essential. The association compromised and agreed to send two of the PA's but refused on principle to move further when the Actt stuck to their original demand.

Mr Alan Sapper, general secretary of the Actt, said he "deeply regretted" the decision. "We do not understand how the question of one production assistant can stop million of pounds worth of coverage," he said.

ITV had already lost its breakfast coverage of the games because of a separate dispute between the union and TV-am. The 150 hours of Olympics material over the three weeks of the games—for the main ITV network and Channel Four—would have cost more than £5m. Other aspects of the negotiations had been completed smoothly with a £1,860 "buy-out" deal for the 30 Actt members in the unit.

Mr Ian MacLaren, chairman of the ITV division of the Actt, said yesterday that the union had compromised on other aspects of the Olympics package—in particular tha acceptance of lower manning levels for Channel Four transmission than apply on the main ITV network.

The argument about the PAs is part of a wider dispute in the ITV companies about their role. The union feels they are becomingly increasingy marginalised—they are for exampla generally accepted to be unnecessary for most Electronic Newsgathering units—and is making a stand in their defence.

The association says because ENG units do not usually use PAs there is no need for them to accompany the three ENG units that would have gone to Los Angeles. They also say that they were only sent to the Moscow Olympics because of the studio work there.

There will still be Olympics coverage on ITN News and there is still the faint chance of a compromise agreement on using pictures of the events taken from the European Broadcasting Union satellite with a commentary from London. The ITV unit would in any event only have been used for off-track material if it had gone.

Ratings and revenues may not be as badly hit as they might have been due to the fact that much oft be live coverage will be either late night or early morning and would have attractad little advertising at that time. BBC coverage is going ahead as planned.

Howe expected to visit GCHQ

BY DAVID BRINDLE, LABOUR STAFF

SIR GEOFFREY HOWE, the Foreign Secretary, is expected to visit Government Communications Headquarters at Cheltenham next Friday. It will be the first visit by a Government Minister since union membership was banned there.

It was Sir Geoffrey who announced the ban in January and who attracted much of the criticism in the ensuing row.

One of the reasons for the visit is likely to be to try to pour oil on the still-troubled GCHQ waters. More than 100 workers are clinging defiantly to their union membership, the Government-inspired staff association is struggling to get off the ground and morale among the 7,000-strong workforce is said to be low.

Sir Geoffrey's presence may provoke some form of demonstration by union loyalists and he may meet one or two of those occupying more senior posts in the course of his tour of the establishment.

Plans for the visit have been kept secret. The Foreign Office, which oversees the signals and intelligence monitoring operation at Cheltenham and its outstations, would last night neither confirm nor deny that it was to take place.

If it goes ahead on Friday as scheduled, it will follow closely the judgement, expected early next week, in the High Court challenge to the validity of the union ban.

The Civil Service unions have argued in court that Sir Geoffrey exceeded his powers in issuing two certificates excluding GCHQ staff from trade union rights under the Employment Protection Acts. Union leaders believe the Government will be criticised in the judgement, even if it wins the case on balance.

In a clear sign of their determination not to let the issue rest, the unions this week elected Mr Jack Hart, a prominent GCHQ union loyalist, as chairman of the Council of Civil Service Unions.

Mr Hart and his colleagues continue to organise openly at GCHQ more than four months after the deadline for surrendering their union rights in return for £1,000 compensation. They say that the management's approach remains one of "kind gloves."

Transfers of some union members to jobs away from GCHQ have begun; some—58 GCHQ technicians applied for one recently-advertised post—are seeking jobs outside the Civil Service; other, however, remain determined to stand their ground and to risk dismissal.

Women machinists fail to win equal pay

By David Brindle, Labour Staff

WOMEN sewing machinists employed by Ford have failed to win parity with men under newly amended equal pay legislation.

The case, one of the first brought under amendments which came into force on January 1 allowing claims for equal pay for work of equal value, did not proceed beyond the preliminary stage.

Women who sew seat covers at Ford's Dagenham works have been pursuing their parity claim since the late 1960s. They object to the results of a job evaluation in 1969 which placed them in a lower grade than men who use Eastman Cutters to shape the fabric.

According to Ford the men's work is heavier and requires a higher degree of expertise.

The women, who have in the past been on strike over the issue and have raised it repeatedly, brought the case last month under the Equal Pay Act. The outcome is reported in the latest issue of IDS Brief, produced by Incomes Data Services, the independent pay research organisation.

According to the report, the tribunal hearing the case brought by three of the 173 sewing machinists at Dagenham decided by a majority that it should not be referred to an independent expert for full evaluation.

Under the legislation, such cases cannot be referred if a non-discriminatory job evaluation scheme is already in operation at the workplace.

Ore reaches Scunthorpe by road

BY IAN RODGER

THE British Steel Corporation began transporting iron-ore from Immingham port to its Scunthorpe works by road yesterday. Normal rail deliveries stopped on Tuesday when a miners' picket was set up on the line.

Only six lorries were involved yesterday, but BSC said the operation would be continuous.

Lorries are already delivering coal to Scunthorpe from Flixborough and, on Monday, road deliveries of coke from the Orgreave coking plant near Sheffield are to resume.

In a letter to BSC employees, Mr Robert Haslam, the chairman, said the corporation had to keep its plants operating at levels to meet customers' needs.

"Stopping steel production would be suicidal for us. It would immediately drive our customers, who have shown great loyalty, into the arms of foreign steel producers. And foreign steelmakers, desperate for work, would insist on long-term contracts."

Mr Haslam scorned Mr Scargill's promise that foreign steel would be kept out of Britain. "Experience shows that promise could not be kept."

He also said BSC workers owned no debt to the miners arising from the 1980 steel strike. He claimed that 75,000 tonnes of British Steel pit arches went into the mines during the steel strike and noted that calls for sympathy action were rejected overwhelmingly. "No miners lost their jobs. No pits closed."

BSC's losses have risen to about £8m a week since the miners strike began, £5m of which are attributable to extra operating costs arising from the strike.

Court orders funds for policing dispute

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE South Yorkshire police committee was ordered by the High Court yesterday not to restrict the amount of money available to its Chief Constable for policing the mining dispute.

Lord Justice Watkins put a temporary "stay" on two resolutions passed by the committee earlier this week, which, it was contended, would hinder the Chief Constable's ability to provide adequate policing.

The order was made when the committee was granted an adjournment of a challenge by Sir Michael Havers, QC, the Attorney-General, to the legality of the decisions.

It was agreed that the matter would return to court some time next week, after the committee's next meeting on Tuesday.

The committee had decided to withdraw, in relation to the mining dispute, the authority of Mr Peter Wright, the Chief Constable, to incure expenditure not exceeding £2,000 without its approval.

It also rejected and referred to the Home Office, bills put in by the Chief Constable.

At a court hearing on Thursday Mr Simon Brown, for the Attorney-General, described the decision as unreasonable and perverse, politically motivated and in breach of the committee's duty under the 1964 Police Act.

Mr Brown said the matter was urgent because there was a grave risk of a breach of public order if sufficient numbers of police could not be sent to the Orgreave coking plant on Monday, when deliveries to the plant were due to be resumed.

Orgreave has been the scene of some of the most serious clashes between pickets and police.

Yesterday Mr Bent Hytner, QC, for the committee, said it had been troubled by the effect of the extra cost of policing the mining dispute on the police budget and concerned to acieve tighter budgetary control.

There was no question of the Chief Constable not being able to spend money in emergency situations.

Since the committee's decisions, an undertaking had been extracted from the Home Office that 100 per cent of the cost of policing the mining dispute would be borne by the Government, save for local authorities paying the equivalent of one penny on the rates towards costs incurred before July 1, Mr Hytner said.

After the hearing Home Office officials denied there had been any change in the Government's previously announced intention to pay 90 per cent of the cost).

Mr Hytner said that undertaking had radically altered the situation, and there need be no dispute, unless the Attorney-General was trying to narrow the committee's powers and make it merely a rubber stamp for the Chief Constable's spending decisions.

Pay dispute hits Phoenix Assurance

By Brian Groom

A DISPUTE has begun at Phoenix Assurance over the company's decision to impose a 6.5 per cent salary increase after failing to reach agreement with the Banking Insurance and Finance Union, which is claiming 7.5 per cent.

It is the third insurance dispute to break out in recent weeks. Industrial action is continuing at Norwich Union and Commercial Union after managements imposed increases of 6 per cent and 6.5 per cent

Pay settlements in most insurance companies this year have been 6-7 per cent but in many cases there have been cash bonus, profit sharing or productivity payments worth another 2-5 per cent.

Bifu is to ballot its 3,300 members at Phoenix on a work-to-rule and overtime ban.

The dispute was made official on Wednesday by Bifu's national executive.

BASE LENDING RATES

A.B.N. Bank	9¼%	Heritable & Gen Trust	9¼%
Allied Irish Bank	9¼%	■ Hill Samuel §	9¼%
Amro Bank	10 %	C. Hoare & Co. †	9¼%
Henry Ansbacher	10 %	Hongkong & Shanghai	9¼%
Armco Trust Limited	9¼%	Kingsnorth Trust Ltd	10 %
Associates Cap. Corp.	9 %	Knowsley & Co. Ltd.	9¼%
Banco de Bilbao	9¼%	Lloyds Bank	9¼%
Bank Hapoalim BM	9¼%	Mallinhall Limited	9¼%
BCCI	10 %	Edward Manson & Co.	10¼%
Bank of Ireland	9¼%	Meghraj and Sons Ltd.	9¼%
Bank of Cyprus	9¼%	Midland Bank	9¼%
Bank of India	9¼%	■ Morgan Grenfell	9 %
Bank of Scotland	9¼%	National Bk. of Kuwait	9¼%
Banque Belge Ltd.	9¼%	National Girobank	9¼%
Barclays Bank	9¼%	National Westminster	9¼%
Beneficial Trust Ltd.	10 %	Norwich Gen. Tst.	9¼%
Bremar Holdings Ltd.	9¼%	People's Tst. & Sv. Ltd	10 %
Brit. Bank of Mid. East	9¼%	R. Raphael & Sons	9¼%
■ Brown Shipley	10 %	P. S. Refson & Co.	10 %
CL Bank Nederland	9¼%	Roxburghe Guarantee	9¼%
Canada Permn't Trust	9¼%	Royal Trust Co. Canada	9¼%
Castle Court Trust Ltd.	9¼%	■ J Henry Schroder Wagg	9¼%
Cayzer Ltd.	9¼%	Standard Chartered ‖	9¼%
Cedar Holdings	9 %	Trade Dev. Bank	10 %
■ Charterhouse Japhet	9¼%	TCB	9¼%
Choulartons	10¼%	Trustee Savings Bank	9¼%
Citibank NA	9¼%	United Bank of Kuwait	9¼%
Citibank Savings ¶	9¼%	United Mizrahi Bank	9¼%
Clydesdale Bank	9¼%	Volkskas Limited	9¼%
C. E. Coates & Co Ltd.	10¼%	Westpac Banking Corp	9¼%
Comm. Bk. N. East	9¼%	Whiteaway Laidlaw	9¼%
Consolidated Credits	9¼%	Williams & Glyn's	9¼%
Co-operative Bank	*10 %	Wintrust Secs Ltd.	9¼%
The Cyprus Popular Bk	9¼%	Yorkshire Bank	9¼%
Dunbar & Co. Ltd.	9¼%		
Duncan Lawrie	9¼%		
E. T. Trust	9¼%		
Exeter Trust Ltd.	10¼%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10 %		
Robert Fraser	9¼%		
Grindlays Bank ‡	9¼%		
■ Guinness Mahon	10 %		
■ Hambros Bank	10 %		

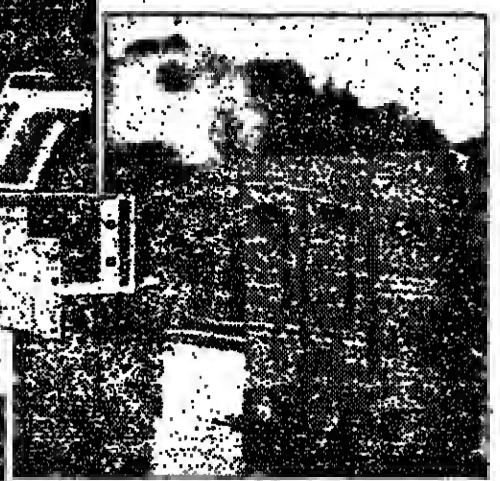
■ Member of the Accepting Houses Committee.
* 7-day deposits 6.5%. 1-month 7.25%. Fixed rate 12 months £2,500 10%. £10,000 12 months 10.25%.
† 7-day deposits on sums of under £10,000 6%. £10,000 up to £50,000 6¾%. £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¾%.
‖ 21-day deposits over £1,000 7%.
§ Demand deposits 5¾%.
¶ Mortgage base rate.

Due to the non-appearance of the Financial Times on Friday 6th July 1984, the full prospectus for the Offer for Sale will be published in the paper on Monday 9th July 1984.

Please note that the Application List will open at 10.00 a.m. on Wednesday, 11th July 1984 and may be closed at any time thereafter.

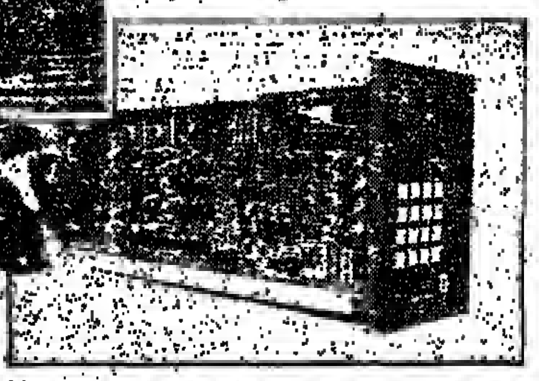
Abridged Particulars

Application has been made to the Council of The Stock Exchange for the whole of the Ordinary share capital of Sarasota Technology PLC, issued and to be issued, to be admitted to the Official List.



Vehicle detection for traffic control systems.

Fluid measurement in pipelines and flare gas monitoring.



Sarasota Technology PLC

(Incorporated in England under the Companies Act 1948 to 1981—No. 1619019)

Offer for Sale
by
Barclays Merchant Bank Limited

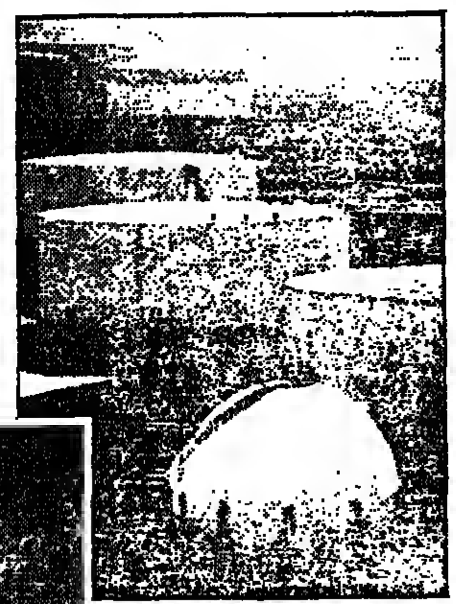
of 5,866,340 Ordinary shares of 10p each at 132p per share, payable in full on application

Share Capital

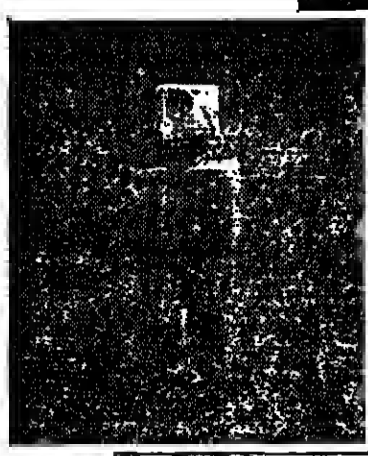
(following Listing, the capital reorganisation conditional thereon and the acquisition of Acoustic Technology Limited)

Authorised		Issued
£3,250,000	Ordinary shares of 10p each	£1,765,802

The Ordinary shares now offered for sale rank in full for all dividends and other distributions declared, paid or made on the Ordinary shares after completion of this Offer for Sale.



Precision level gauging in storage tanks.



River flow monitoring.

Directors, Advisers and Bankers

Board of directors
Ronald George Hooker (*Chairman*)
Ian Roderick McCue (*Managing Director*)
Anthony Francis Kerrigan (*Finance Director*)
Errol Simon Owen Bishop (*Non-Executive*)
Paul Michael Whitney (*Non-Executive*)
all of King's Worthy, Winchester, Hampshire SO23 7QA

Richard Charles Wisler (*US Citizen*)*
*Alternate: *Michael Keith Weeks*
both of 1500 North Washington Boulevard, Sarasota, Florida 33577, USA

Secretary and registered office
Anthony Francis Kerrigan, B.A.,
King's Worthy, Winchester, Hampshire SO23 7QA

Issuing house
Barclays Merchant Bank Limited,
15/16 Gracechurch Street, London EC3V 0BA

Stockbrokers
Grieveson, Grant and Co.,
Barrington House, 59 Gresham Street, London EC2P 2DS

Auditors and reporting accountants
Arthur Young McClelland Moores & Co., *Chartered Accountants*,
Norwich House, Nelson Gate, Commercial Road, Southampton SO1 0GX

Solicitors to the Company
Heald Nickinson,
48 Bedford Square, London WC1B 3DS

Solicitors to the Offer
Ashurst, Morris, Crisp & Co.,
Broadgate House, 7 Eldon Street, London EC2M 7HD

Bankers
Barclays Merchant Bank Limited,
15/16 Gracechurch Street, London EC3V 0BA; and

Barclays Bank PLC,
50 Jewry Street, Winchester, Hampshire SO23 8RG

Receiving bankers
Barclays Bank PLC,
New Issues Department, Fleetway House, 25 Farringdon Street, London EC4A 4HD

Registrars and transfer office
Barclays Bank PLC,
Registration Department, Radbroke Hall, Knutsford, Cheshire WA16 9EU

Key Information

The following information should be read in conjunction with the full text of the prospectus from which it is derived.

Activities
Sarasota's principal activities are the design, manufacture and sale of electronic sensors, transducers and related microcomputers. The applications for Sarasota's products include vehicle detection, the measurement of density, flow and level of fluids in the oil and petrochemical industry and water flow measurement. The Group's main markets are in the United States and the United Kingdom.

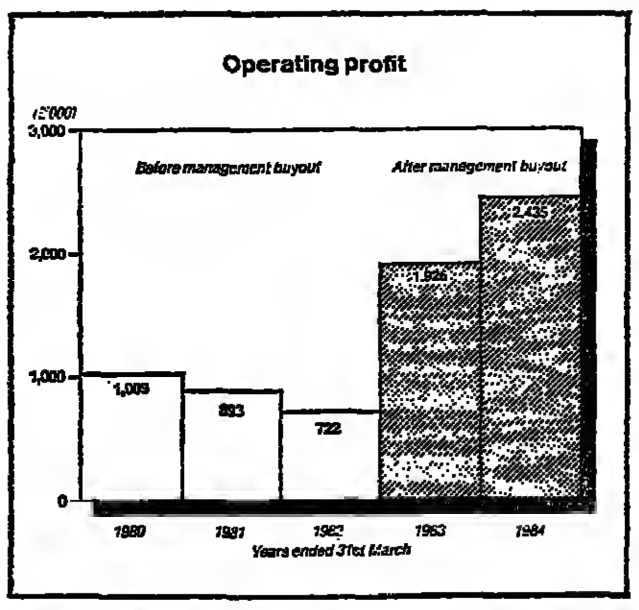
Trading Record

	Before management buyout			After management buyout	
Years ended 31st March (£'000)	1980	1981	1982	1983	1984
Turnover	4,191	4,674	5,218	7,309	8,443
Operating profit	1,009	893	722	1,926	2,435
Profit before taxation	917	1,136	506	1,563	2,222

The above figures do not include the results of ATL, which is to be acquired immediately following Listing.

Offer for Sale Statistics

Ordinary shares of 10p each in issue following the Offer for Sale	17,658,015
Offer for Sale price per Ordinary share	132p
Market capitalisation	£23.3 million
Pro forma earnings per Ordinary share	
—based on a tax charge of 46 per cent.	7.73p
—assuming a notional tax charge of 50 per cent.	7.16p
Price/earnings ratio (based on pro forma earnings)	
—based on a tax charge of 46 per cent.	17.1
—assuming a notional tax charge of 50 per cent.	18.4
Indicated gross dividend yield	2.06 per cent.



Definitions and Glossary

Definitions

Company	Sarasota Technology PLC
Sarasota	The Company and its subsidiaries, excluding ATL
Group	Sarasota, including ATL
SAL	Sarasota Automation Limited
SAI	Sarasota Automation Inc.
ATL	Acoustic Technology Limited, which is to be acquired by the Company immediately following Listing, its subsidiaries and Ensys Limited
Agar	J. Agar Instrumentation Limited and J. Agar Instrumentation Inc.
Ordinary shares	The Ordinary shares of 10p each in the capital of the Company following Listing
Preference shares	The 10 per cent. Redeemable Cumulative Participating Preference Shares of £1 each in the capital of the Company, which will be redeemed at par following Listing.
Debenture	The Variable Rate Debenture Stock 1987/91 of the Company, which will be repaid at par following Listing
Management buyout	The management buyout, whereby a consortium, comprising senior management and certain investment institutions, acquired SAL and SAI from Redland PLC in April, 1982, details of which are set out in Appendix III

Glossary

Sensor	A sensor is a device which detects changes in physical properties. Sarasota's electronic vehicle detector is a sensor which detects variations in an electromagnetic field caused by the presence or passage of vehicles.
Transducer	A transducer is a device which converts changes in physical properties into a form capable of measurement by electrical or other means. Sarasota's density transducer is used to convert changes in the density of different gases or liquids into electrical signals.

Copies of the prospectus (on the terms of which alone applications may be considered) can be obtained from:—

Sarasota Technology PLC,
King's Worthy,
Winchester,
Hampshire SO23 7QA.

Barclays Merchant Bank Limited,
15/16 Gracechurch Street,
London EC3V 0BA.

Barclays Merchant Bank Limited,
39 Bennetts Hill,
Birmingham B2 5SR.

Grieveson Grant and Co.,
Leith House,
45/57 Gresham Street,
London EC2V 7EH.

Barclays Bank PLC,
New Issues Department,
Fleetway House,
25 Farringdon Street,
London EC4A 4HD.

and at the following branches of Barclays Bank PLC:

London:
160 Piccadilly,
London W1A 2AB.

Manchester:
17 York Street,
Manchester M60 2AU.

Edinburgh:
35 St. Andrew Square,
Edinburgh EH2 2AD.

Glasgow:
90 St. Vincent Street,
Glasgow G2 5UQ.

Winchester:
50 Jewry Street,
Winchester, SO23 8RG.

Liverpool:
4 Water Street,
Liverpool L69 2DU.

Newcastle:
Collingwood Street,
Newcastle-upon-Tyne NE99 1DA.

Leeds:
37 Park Row,
Leeds LS1 1HS.

Southampton:
171/172 High Street,
Southampton SO9 7DW.

Bristol:
40 Corn Street,
Bristol BS99 7AJ.

Cardiff:
121 Queen Street,
Cardiff CF1 1SG.

THE WEEK IN THE MARKETS

RTZ shoots for 29.9 per cent of Enterprise

While equity trading slipped away to a trickle in the first week of the new account the bullabaloo surrounding Enterprise Oil's debut on the Stock Market showed no sign of going away.

Thwarted in its attempt to capture 49 per cent of Enterprise at the issue stage Rio Tinto-Zinc did not walk away with its 10 per cent allocation and do nothing as some in the City had expected. First thing on Monday morning, as Enterprise dealings got under way, RTZ waltzed into the market with a dawn raid to lift its holding to just under 15 per cent. It then launched a tender offer at 110p in an attempt to double its stake to the maximum permitted under the City rules without the need to make an outright full offer.

In Westminster Mrs Thatcher and Mr Kinnock were busy hurling brickbats at each other across the floor of the House. In the City Enterprise executives were equally active hauling *J Henry Schroder Wagg* on board as advisors to repel the unwelcome RTZ asking shareholders to sit tight.

The defenders may have to work hard to convince some of the new shareholders that they should not part with Enterprise paper at a premium in the market. Though at least one underwriter has been wearing a buyer's hat. Norwich Union,

LONDON

ONLOOKER

which dutifully picked up over 2.6m shares as an underwriter went into the market and lifted its holding to over 21m—a 10 per cent stake.

Despite soothing words about a long-term investment and the insurance group's existing commitment to oil sector investments, there were inevitable mutterings in a few corners of the Cit ythat Norwich might be prepared to act as a marriage broker. But that *suggestion* really has no more validity than many of the other wierd and wonderful "solutions" to the tangle that were flying around the market.

RTZ's strategy remains the key, of course, yet so far its real aspirations have been kept in the dark as far as the market is concerned. Certainly this week's exercise hardly opens the door to what might have been an obvious arrangement in the first place—a merger of the two's North Sea oil interests.

Still, if the Government, in its latest privatisation venture, has had unexpectedly to turn its hand from producing a prospectus to drafting a defence document, at least the event has allowed a chink of light to emerge in the new issues queue. Hence this week's rush of rights issues—headed by Hill Samuel—to get in ahead of Mrs Thatcher's next offering of public assets.

Valuing the Mirror

Wherever Reed International is hoping to squeeze the forthcoming flotation of Mirror Group Newspapers into the Government Broker's new issue queue, Mr. Robert Maxwell is eager to save Reed the cost of printing a prospectus. That Mr Maxwell has made an offer of at least £80m for the Mirror Group, and perhaps as much as £100m, is hardly a holt out of the blue. His ambition to own a national newspaper is as plain as day and Pergamon Press' ability to finance a deal of that magnitude is easily conceivable.

Although Reed has affirmed its intention to go ahead with a public offering Mr Maxwell's persistence puts Reed's management in something of a quandary. Mirror's earnings last year were disappointing, its Reuters' stake is not worth the magnificent sum that had been assumed when a flotation was first mooted and some of Mr Clive Thornton's ambitious expansion plans have caused a raised eyebrow.

So over the months Mirror's prospective market worth has been talked down to under £70m. Can Reed accept that price when Mr Maxwell is prepared to pay so much more? And will Reed's institutional investors let it anyway? The newspapers' employees are clearly anti-Maxwel and if Reed perseveres with a public offer to retain the Mirror's independence will Mr Maxwell "do an RTZ?"

Hill Samuel

Last month's preliminary statement from Hill Samuel contained so many references to the undervaluation of the undervaluation of the group's shares and the excellence of its financial performance that the eagle-eyed already had their suspicions that the bank would soon be seeking fresh capital. As it turned out, the call on shareholders came sooner than anyone had expected, with HS unveiling a one-for-four rights issue to raise £40.5m on Thursday.

On the face of it, the bank is already adequately capitalised. Its latest balance sheet shows disclosed shareholders' funds represneting 5.3 per cent of total assets, which is a mite more conservative than one or two merchant banks. Yet it is almost an open secret in the City that Hill Samuel racks away less in the way of hidden reserves than most of its competitors, while the group clearly anticipates several calls on its wallet over the next few years.

HS has spent over £30m on new developments over the past three years and still has to finance the purchase of Wood Mackenzie. That deal has put the bank firmly on the diversification track and it will need to spend on both market-making expertise and its international network before it can lay claim to the status of investment bank. The bank's management has plenty of admirers in the City and the issue should be well received, despite the likely dilution of true net assets and earnings.

GEC's slim gain

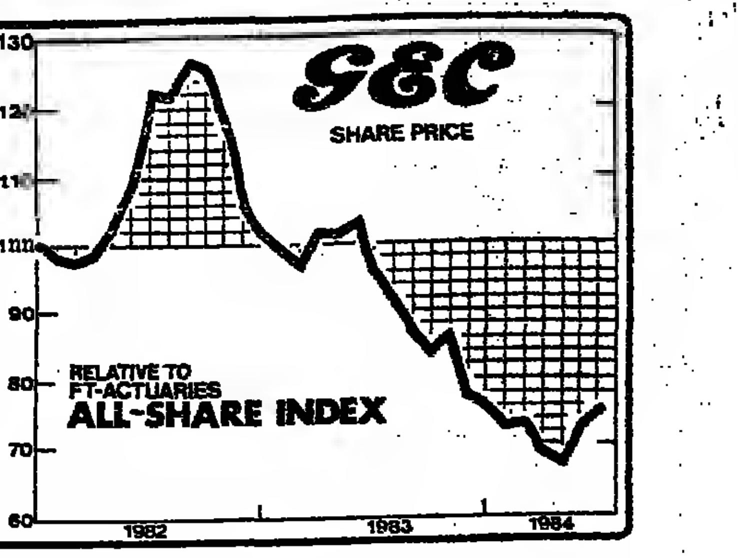
In recent weeks the market has been taking a kinder view towards GEC but the electrical giant's full-year results to the end of March did little to enhance its reputation. Again a solid advance in trading profits has been offset by a lower contribution from financial items: namely a lower investment return on its famous cash mountain. At the pre-tax line profits have barely inched ahead from £670m to £671m—the smallest increase reported in 17 years.

Star performer among the divisions was again electronic systems with trading profits elevated from £158m to £200m. The defence interests were reporting rapid growth right across the board with possibly deliveries for Nimrod and Tornado worthy of particular praise. The improvement from the telecommunications business was surprising with an 8 per cent advance to £94m at the trading line. Though the main feature here was the recovery from a £5m loss at the interim stage to breakeven at the year end by A. B. Dick in the U.S.

Undoubtedly the £12m drop in profits from power generation last year was a disappointment, albeit largely anticipated. But at least the future looks reasonably optimistic. The division has undergone a programme of rationalisation which should improve margins. And while the nature of the business is rather lumpy the order book is only down 10 per cent over the past year and a couple of large contracts could be landed this year.

So despite the non-event of the latest results GEC's core businesses have not run out of growth. Profits for 1984-85 could be £100m or so better—yesterday's rise in interest rates can do no harm at all—and yet the prospective earnings multiple of around 14 still leaves part of the investing community cold.

There is the perennial question of how the cash mountain, £1.4bn or so, will be eventually invested to develop the industrial base. The acquisition of British Aerospace is a now well known option while the move to pave the way to purchase its own shares would also enhance future earnings per share. The share price may be able to show more of the recent trend but those 1982 heights look virtually impossible to rescale within the foreseeable future.



Cool to Unigate

It will take until the cows come home to persuade large parts of the City that Unigate's shares represent anything more over the longer term than a handy trading stock. This week the group had to disclose that writing off its investment in two struggling non-dairy subsidiaries had cost it the best part of £20m and there were indications too, that all the upheavals of recent years might not yet be completed. But while this may not have done much to dispel market scepticism about Unigate's prospects, the results for the year to March also presented a 31 per cent jump in pre-tax profits to £37.1m and ful filled plenty of long-standing management promises into the bargain.

The group is now bristling with return on capital targets, new business ideas and strategic goals. It will take another year or two to see how much this helps to improve the poor profitability of Bowyers and Turner's Turkeys, to ensure the continuing success of the new Shape range of dairy products or to revive margins on deliveries of milk to the multiple retailers. But the management's approacs has already done wonders for the quality of Unigate's assets and, to a lesser extent, of its earnings as well.

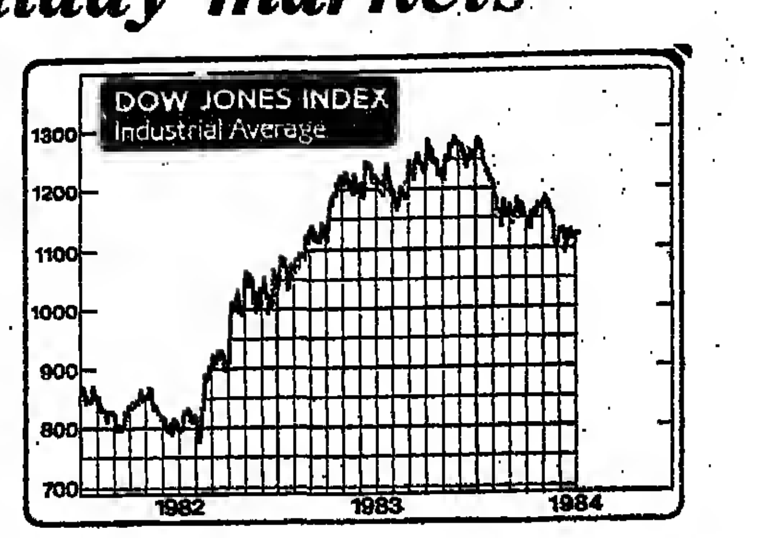
Two areas of uncertainty likely to have an increasing influence on the shares concern tax and Unigate's acquisition plans. The group has exhausted almost all of its ACT stockpile to diminish the impact on the latest results of a £26½m deferred tax bill courtesy of the budget. This will lift the current year's tax rate to 40 per cent or so, implying virtually unchanged earnings per share for 1984/5 even if Unigate makes £63m in pre-tax profits. Meanwhile, the City can see the group eyeing up some sizable bid targets in the U.S.—an acid test of investors' confidence in long term strategies, if ever there was one.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
F.T. Ind. Ord. Index	819.3	+ 1.4	922.8	770.3	Sterling makes for caution
F.T. Gold Mines Index	539.8	−105.1	711.7	520.2	Bullion at 23-month low
Aquascutum	73	+13	75	50	Bid speculation
Aquis Securities	53	+10	90	35	Minority bid from GRE
Associated Newspapers	500	+32	510	395	Int. statement due Thursday
Christies Int'l.	408	+24	414	284	Record auction prices
De Beers Defd.	468	−32	616	468	Ahead of diamond sales fig.
Davy Corporation	60	+ 5	79	50	Awaiting annual results
Heath (C.E.)	480	+45	486	317	Dollar earnings potential
Henriques (A.)	72	+10	76	23	Revived speculative demand
Intasun Leisure	92	−23	193	92	Results & statement disappoint
Invent Energy	360	+40	393	230	Paris Basin drilling report
Jacksons Bourne End	370	+35	370	223	Bumper results/scrip issue
Kode Int'l.	315	+22	320	238	Comart acquisition
Prestwich Parker	78	+24	78	36	Palan Entertainment acquisition
Royal Insurance	476	+16	491	385	Revived bid hopes
Rustenburg Plat.	695	−119	880	695	Weak free market plat. price
Union Discount	680	+40	760	635	Merger hopes
Ward & Goldstone	113	+13	135	97	Preliminary figures
Woolworth	468	+26	535	340	Buying in thin market

Thin holiday markets

WALL STREET is the preserve of workaholics who enjoy nothing better than embarrassing members of the Fifth estate with impossibly early breakfast interviews. But even this passion for hard labour takes second place to the flag-waving and fireworks of July 4. This week, Independence Day fell on Wednesday, and it seemed as though the whole of the financial establishment spent two days preparing for it and another two getting over it.



It has therefore been a week of thin markets, with trading volume on the New York Stock Exchange, the best barometer of activity, falling well under 70m shares a day. The Dow Jones Industrial Average showed no signs of breaking conclusively through the 1,130 ceiling which has contained it since the middle of May; but it has not looked like dropping back to the depths it hit in the middle of last month either.

Apart from the holiday, equities have also had to cope with the big $15.5bn Treasury refunding which has preoccupied the credit markets for the

NEW YORK

TERRY DODSWORTH

past two weeks. This was expected to give confirmation of the underlying pressure on interest rates, and this in itself was enough to keep the lid on share prices as investors considered the problems of the widening yield gap.

In the event, the refunding has gone better than expected. Even so, the average yield on the $4bn 20-year bond floated this week amounted to 13.76 per cent, up from 12.39 per cent in early April, and the consensus among economists remains that short-term rates will trend significantly higher still.

Merrill Lynch, for example, said in its influential market letter this week that it saw short-term rates rising to peaks in the first quarter of next year. These would be about 3 to 4 percentage points above present levels, it added, while long-term bond rates would rise by less—perhaps 1 percentage point.

The big arguments about these higher rates are (1) whether they will bring the economy to a shuddering halt, or (2) whether they will just slow down the growth rate nicely, leaving enough profits for the corporate sector to support a continuation of a strong stock market.

Merrill, while warning that there are plenty of dangers to derail its judgment, notably the problems of the international debt situation, tends to the former view. Growth will slow towards the end of this year, it believes, with GNP dropping to around 5 per cent in the third quarter from 9.7 per cent in the first, but it thinks that earnings of the stocks in the S & P 500 Index will finish 28 per cent ahead on the year.

In 1985, the S & P stocks should be capable of a further 13 per cent profits advance, it says, against only 11 per cent last year. At present levels, shares in the S & P are selling at 8.5 times expected 1984 earnings and 7.5 times projected 1985 results.

Some analysts also believe that short-term technical factors point to a modest pre-presidential election rally over the rest of this year. Liquidity is now high among private and institutional investors, partly because of the heavy pay-outs on mergers and takeovers since the beginning of the year, and partly because of the healthy inflow of cash to pension and mutual funds.

At the same time, the available stocks on the market have declined. The new issue pipeline has virtually dried up, and $60bn of equity has been removed since January by leveraged buyouts or stock buy backs.

The most original leveraged deal of the year appears to have been cemented this week at Continental group, the diversified, packaging, energy and forest products company, whose takeover potential was originally flushed out by Sir James Goldsmith.

Sir James has finally lost this battle, after a clever defensive fight by the Continental board, which negotiated a behind the scenes auction among the interested parties.

Rather like an oil block auction, the potential takeover candidates agreed not to make a further offer to top the winning tender. This technique produced a dark horse victor in the shape of a joint bid from Peter Kiewit sons', a secretive Nebraska construction and mining group, and Mr David Murdock, an equally retiring entrepreneur, who is the leading investor in Occidental Oil.

While losing its independence, Continental can at least congratulate itself that it has winkled out what looks like a good price — at $58¼ it stands at a premium of about $20 to the pre-bid price, and is valued at around 15 times last year's earnings — while doing a good deal for employees as well. Kiewit has said that it will continue to run Continental as a separate entity.

By contrast, Mr Jack Tramiel's takeover of Atari, the Warner Communications' electronic toys subsidiary, was virtually a giveaway. Mr Tramiel, the rumbustious ex-head of the Commodore personal computer group, paid only $240m in 10 and 12 year debentures at coupons of 9 and 13 per cent, well below market rates.

Warner, in which Chris-Craft, the west coast entertainments group, has a 26 per cent stake, has also accepted a gambler's throw on the future of Atari in the shape of warrants on 32 per cent of the computer concern. Warner's speculative skill (or luck) in high risk situations has succeeded sometimes in the past. But, so far, the market is not so keen this time round, knocking the shares back from almost $24 a share to well under $19 by the end of the week.

MONDAY	1130.08	− 2.32
TUESDAY	1134.28	+ 4.20
WEDNESDAY	... Markets closed	
THURSDAY	1124.56	− 9.72

More seeking listing despite slack business

BY ALISON HOGAN

JOBBERS on the floor of the Stock Exchange report a "terminal lack of enthusiasm" for USM stocks with little trading taking place this week. Yet the eagerness of new companies to seek a listing on the USM contines unabated.

They appear to be undeterred by the declining USM Index which has fallen from 118.5 in early May to around the 100 level. The gains made in relation to the FT-Actuaries All Share index by the USM since March have been entirely lost according to Hoare Govett. They suspect that the underperformance factor has partly been disguised by the differing market weightings and say in their weekly Market Data that if the All Share is readjusted to USM sector weightings, the relative fall has been more marked.

The strong turnout for a seminar on "going public" held on Monday would suggest that many companies are still interested in getting a quotation.

Some 170 people attended the seminar arranged by your business magazine and chartered accountants Stoy Hayward with businesses ranging from a coupleof advertising agencies, several food companies, one dairy, a couple of airports and a fair sprinkling of technology companies. They were warned of the need for quality and a strong commitment and awareness of the consequences of going public.

Sadly, some sponsoring brokers and banks are less stringent than others in their requirements. Those with tougher standards claim to have seen companies which they rejected as unsuitable for the market, emerge, nevertheless, under the wings of another sponsor.

Among a fairly mixed bag of new issues in the last couple

Unlisted Securities Market

of weeks, TDS Circuits brought to the market by Laurence Prust, stood out as an attractive new arrival. Circuits is among the largest independent European manufacturers of multilayer and plated through hole printed circuit boards. It is coming to the market having already undergone a period of heavy capital investment so that it has plenty of capacity to expand and has established a position in the complex multilayer board market.

Investors seemed to think that a historic actual tax PE of 14.7 was reasonable and the offer was oversubscribed 28 times at the offer price of 380p per share.

Next week should see the arrival of another interesting company Compsoft which designs and sells data management software programs. Barclays Merchant Bank and brokers Laurence Prust are so convinced of the quality of the company they will probably choose to sell between 25 and 30 per cent of the company's equity by way of an offer for sale by tender. A brave move in these cautious times.

The company is run by a husband and wife team Nick Horgan and Heather Kearsley assisted on the board by finance director Jim Miller and a professor of applied psychology from Surrey university, David Canter.

They started 'around the kitchen table' in 1979 developing a programme for a small business such as a doctor's surgery or a small division of a company which needed to put a larget filing system on to a microcomputer, without necessarily having any prior knowledge of computers. Pre-tax profits have grown in five years to £543,000 and turnover has built up from £9,000 in 1980 to £1.33m in the year to March. They now have a team of some 30 people developing, marketing and providing customer suoport for the product from their headquarters, Hallams Court, near Guildford.

Their latest programme Delta is easily translatable to cope with languages other than English, which has given the company a valuable entree into the fast growing European market.

They have persuaded a number of major manufacturers including Wang and Digital Equipment to adopt Compsoft software for their microcomputers, resulting in sales in most major countries of Europe. It is a potential market which they have only just begun to exploit and should prove an exciting addition to their UK sales.

The company is reshearching into "expert" systems so that in a few years it hopes to be able to market software for diagnostic use where it will be in strong marketing position.

It aint necessarily so

YESTERDAY'S sudden plunge in the gold price through the U.S.$3.50 per troy ounce level after a lengthy period of comparative stability had brokers reaching for the scenarios labelled "doom and gloom."

All the talk was of the next target on the downside, with figures of anywhere between $280 and $320 being bandied about, and analysts started looking to other prices, notably silver, platinum and oil, for some sort of indications as to where the gold price was going next.

Platinum was a particularly interesting case, with the price dipping recently below the gold price for the first time since April last year.

This, it was suggested, was a bear point for gold, as platinum's greater volatility means that it normally trades above the level of gold when prices are rising, and below the yellow metal when they are falling.

This is all very well, and of course we could be heading for a period of particular weakness in the gold price, but as Mr George Gershwin wisely pointed out in quite a different context some years ago, it ain't necessarily so.

The extraordinary strength of the U.S. dollar and the very high levels of interest rates in that country have been idetified as the greatest single determinants of the gold price over the past year or so, and there are as yet no signs that the long-awaited fall in the value of the dollar is any more imminent than it was six months ago.

Beyond that, thre are signs that interest rates may rise even higher than they are at present, and clear indications from President Reagan that,

MINING

GEORGE MILLING-STANLEY

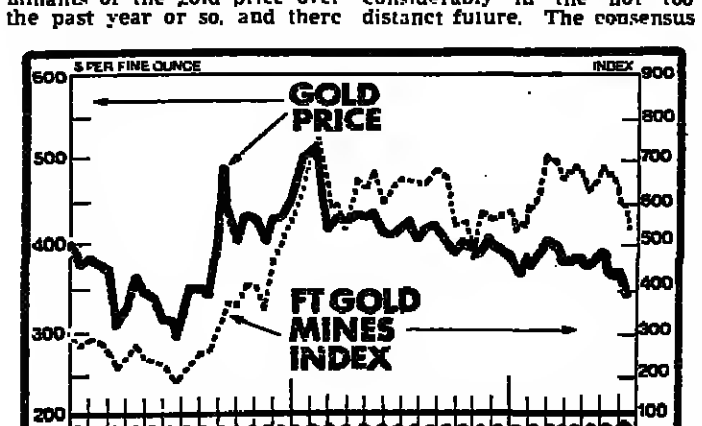
while he is concerned at the level of interest rates, he has no immediate plans to do anything other than voice his disquiet from time to time.

Nevertheless, whatever fundamentals were at work in keeping the gold price not far short of the $400 per ounce level throughout the whole period in which the dollar was going from strength to strength are still firmly in place.

The addition to mine supply, notably from Ok Tedi in Papua New Guinea, has been known about for a long time, and should not in itself have any adverse impact on the price, and possible forced sales from Third World central banks have been widely discounted as well.

It is by now common ground that the U.S. currency is overvalued, and will have to drop considerably in the not too distanct future. The consensus seems to be that the fall will come about soon after the U.S. presidential election on November 4, with November 5 often being proposed, not entirlye whimsically, as the likely starting point for the decline.

As always in the gold market, traders will anticipate that movement, and there is not a great deal of time left now for that anticipation. The end of many a bear trend has been signalled by a last vicious downward movement. Could this latest fall in the gold price herald the next upturn? Developments will be awaited with interest.



● Australia's EZ Industries has an appalling record as far as its handling of industrial relations is concerned. The events of the past four weeks suggest that the company's management is not much good at dealing with other companies, either.

A combination of EZ's base metal mines with their important precious matal by-products in Tasmania and New South Wales, and the silver-lead-zinc mines of North Broken Hill Holdings in New South Wales, has been mooted for years.

The operations are complementary in a number of ways, and the connections between the two companies go back for almost 70 years to 1919, when NBH was a founding shareholder in EZ.

The companies have had large shareholdings in each other for years, and the bulk of NBH's output of concentrates is treated at EZ's base metals refinery at Risdon, Tasmania.

Quite how the two companies got themselves into a position where NBH found it necessary to mount a full takeover of EZ without any prior discussions is incomprehensible to the outsider, and the reasons may never be known.

Be that as it may, NBH looked certain to succeed from the outset, with its holding of around one-third of EZ before the bid was launched almost guaranteeing success. Even so, EZ's management was outsmarted, with NBH moving swiftly in the market to take its stake over the 50 per cent mark within a week or so, while EZ had limited its defence to a recommendatinn to shareholders to do nothing until the publication of an independent report.

Advice from the various stockbrokers who commented on the bid was contradictory, with some suggesting holding out for a better offer from NBH, while others recommended accepting the A$6 cash offer and investing the proceeds in NBH shares.

That was probably the right course to adopt at the time the offer was made, and the movements in the respective share pricas since then have prompted NBH to amend the terms of the shares and cash alternative to 11 NBH shares and A$1.20 in cash for every four EZ shares held, from two NBH and A$1.50 cash for each EZ share.

The total bid for the 70 per cent of EZ not already owned was worth about A$520m (£330m), and valued the whole of EZ at something like A$750m, against the market's valuation of around A$200m less.

This week, EZ effectively conceded victory to NBH by recommending the terms of the revised shares and cash offer, while still contending that the straight cash bid was inadequata.

Apart from the good fit between the respectiva mining operations, NBH also gains EZ's lucrative holding of about one-third in Energy Resources of Australia, which operates the big Ranger uranium mine in Australia's Northern Territory.

More importantly, the takeover fits in with NBH's declared philosophy of looking to its operations to provide the bulk of profits, rather than investment income. The move suggests a new note of aggresiveness in NBH's management, and one can only admire the speed with which the group has transformed itself into one of the largest mining house in Australia.

UK CONVERTIBLE STOCK 7/7/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates‡	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div▽	Cheap (+) Dear (−) Current
British Land 12pc Cv 2002	9.60	391.00	333.3	80-87	3.1		− 4.6	− 7 to −2	27.7	30.3	0.6	+ 5.3
Hanson Trust 0½pc Cv 01-06	81.54	346.50	160.7	85-01	2.8		− 4.2	− 9 to 2	168.5	73.0	−26.4	−22.2
Slough Estates 10pc Cv 87-90	5.03	270.50	234.4	78-85	3.7		−10.5	−11 to −1	13.7	4.7	− 3.0	+ 7.6
Slough Estates 8pc Cv 91-94	24.72	119.00	97.5	80-88	6.7	4.8	− 5.4	− 6 to 2	22.2	22.5	0.3	+ 5.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the first date of conversion.

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YOUR SAVINGS AND INVESTMENTS

Teachers and tax allowances

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

My wife is employed as a teacher at sixth-form level of "O" and "A" level GCE. She is, of course, taxed under Schedule E. Partly as a result of cuts in education spending, she spends a considerable amount on books needed to prepare her teaching and keep up with developments in her subject. In recent years she has claimed the cost of these as an expense for tax purposes, which has been accepted by the Inspector.

Last year, however, he turned down part of the claim as follows: Agreement has been reached with the National Association of Teachers in Further and Higher Education and other professional bodies on a guideline for expenses that may be claimed. Part of the agreement relating to the purchase of books is that books purchased for the teaching at levels below A level does not meet the requirements of the appropriate section of the Act and must therefore be disallowed. It has also been agreed that relief is to be disallowed for expenditure on books purchased for the teacher's own desire to keep up-to-date.

I would be grateful for your views as to whether the Inspector is correct and why there should be a distinction between "A" level and other teaching.

The schedule E expenses rule is notoriously narrow, and your wife should count herself lucky for the past years. The recent working agreement with the professional bodies does little more than to reflect the long-standing rules, which Parliament approved for administrative convenience, not equity, unfortunately.

Domiciled overseas

I was born in Jersey, where I have spent the majority of my life to date. I came to England to attend university and have subsequently remained here working.

I maintain strong ties with the island — family home, bank account, etc., but I have no immediate intention of returning there to live. I may well, however, decide to return there on a permanent basis at some point in the future.

I would appreciate your advice on whether I might be able to exploit my situation by making advantageous financial arrangements. In particular is a claim of Jersey domicile possible, and could this be advantageous for tax purposes?

A crucial point, which you do not mention, is whether your father was domiciled in Jersey at the time of your birth (and still is). If so, it is pretty clear that your Jersey domicile of origin has not been displaced by a domicile of choice in England and Wales.

That being so, you should ask your tax inspector for the special annual return forms 11K, which are designed for people domiciled overseas (amongst others).

Selling your home

I am planning to sell my only residence and wish to know whether I need to declare any possible gains I may make on the proceeds for Capital Gains Tax purpose. The house consists of five self-contained flats. I have been owning and living in 3 since 1979. I have been letting the other two out on holiday letting basis. Of the three I occupied, I also had one or two let out occasionally on short-term holiday letting basis.

Yes, you must report the sale in your tax return. Ask your tax inspector for a copy of the free leaflet CGT4 (Owner-occupied houses)—this will give you an idea of how much tax relief you can claim. The rules are complex and quite arbitrary, unfortunately, but the solicitor who acts for you in the sale will be able to guide you through the tax maze at the same time.

Mother's tax

Could you help me establish the tax position of UK residents with respect to the "Bulldog" Stocks?

I recently purchased for my retired mother and, separately, for my under 11-age children, some stock in the Republic of Finland Loan Stock 2009. The interest is clearly subject to UK income tax and will be collected at source.

The question is whether my mother and the children are entitled to income tax refund if, in the case of mother, her unearned total income be lower than the allowances?

Yes, your mother should ask the local tax office for a tax return form, if she does not receive one automatically next April. She will then get the refund which is due to her. The interest on your children's stock will be taxable as your own income, however, if you provided the money to buy it.

Unpaid rent

I happen to be the ground Landlord of some flats and lock-up garages which are managed by agents who also manage some other property for me. On receiving the rents for the last quarter I notice that the ground rents for some of the flats and garages are six to twelve months in arrears. As the agent does not seem to be able to collect these arrears what can I do myself to get this money in?

You should institute proceedings for forfeiture for non-payment of the rents. Although the tenants can obtain relief from forfeiture they can only do so on payment of the arrears of rent and costs.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

INSURANCE

Putting the small print into plain English

ERIC SHORT reviews an Office of Fair Trading document which is vital to all householders

SIR GORDON BORRIE has always found the insurance industry a fruitful field in which to exercise his role as a consumer watchdog since he became Director General of Fair Trading eight years ago.

The industry has been lectured on various aspects of its operations and dealings with the public, ranging from the lack of an adequate complaints procedure to the low payouts on early surrender of life contracts.

Sir Gordon has never hesitated to point out to the industry its shortcomings and to urge corrective action, even though the technical experts have sometimes accused him of being simplistic.

But until now he has confined himself mainly to haranguing the industry as a speaker at an insurance meeting or in submissions by the Office of Fair Trading to Government and public inquiries.

This week, however, Sir Gordon and the OFT added a new dimension to their activities, as far as insurance is concerned, by issuing a "discussion paper" on household insurance.

This review is one of a number of projects undertaken by the OFT on the general theme "The Consumer as Householder," which explains why household insurance has been chosen, rather than motor or life insurance, subjects equally worthy of scrutiny by the office.

The document sets out to review the present state of the household insurance market in Britain and the practices adopted by the various insurance companies in offering insurance to the public. It then discusses the shortcomings in the present set-up and sets out areas in which it feels improvements could and should be made.

The document starts with the need for insurance, not a wholly self-evident proposition given the results in the next section of a Marplan survey commissioned by the office.

This showed that 18 per cent of householders reviewed had neither a buildings nor a contents policy. And within the age group 18 to 34 half the households had no policy.

Th document concludes that insurance companies and consumer advisers stil have more to do in explaining to the public the need for household insurance—a shortcoming freely admitted by the British Insurance Association.

The survey then went on to show that many householders just do not know what they are getting when they buy household insurance and whether the cover they are buying is adequate. This finding will come as no surprise to the insurance industry.

Neither will the main reason put forward for this ignorance—that many people find the language in which insurance policies are written very difficult to understand.

This has been the cry of the consumer for decades and until recently it has been more or less a valid reason. But the work put in by insurance companies in producing plain language insurance policies, a development acknowledged and applauded by the OFT, makes that excuse less tenable these days.

Lloyd's is about to produce its "plain language household policy" around the end of the month — this time trailing in the wake of the insurance companies.

It is arguable that a common reason why people do not read their insurance policy is that they simply cannot be bothered to do so, regardless of whether it is written in legal mumbo-jumbo or in words of one syllable, with simple explanatory diagrams to accompany it.

The document deals briefly with the types of contract on the market and the wide variations in cover offered by the insurance companies. The OFT makes a plea for moves towards standardisation — a plea that should be considered seriously.

Sir Gordon Borrie

The main obstacle to change within the UK insurance industry is that it has to overcome three centuries of history. The industry is made up of such a heterogenous collection of companies that any attempt to co-ordinate their policies offered to the public would not get off the ground.

The BIA defends the current system on the grounds that it provides the public with flexibility and freedom of choice in selecting his insurance.

This would be a relevant argument if the public knew what it wanted in the way of household insurance and was prepared to shop around for a policy that met those requirements.

In practice, however, people usually want a policy that will cover their house and its contents for the cheapest possible premium. Inertia is a dominant factor in this field, with most policies being renewed without serious thought year after year.

The case for standardisation of the main covers, at least, with companies offering optional extras, is strong. But it will need some body outside the industry, not burdened by the three centuries of practice, to encourage the standardisation.

The discussion goes boldly into the contentious area of the sum insured under a household buildings policy. Insurance companies insist that cover should be for the cost of rebuilding the house.

Many people, in contrast, want to insure their house for its saleable value. The OFT supports this view—indeed it wants insurance companies to introduce a greater degree of flexibility in the level of cover.

The aim of the public in selecting market value rather than rebuilding costs is that they feel their insurance would be cheaper. They fail to appreciate that the money to pay claims only comes from the premiums paid.

Lowering the sum insured would mean higher premium rates, because in the end the claims would be the same and so would the premiums have to be in aggregate.

On this aspect, as with many others, the discussion document takes a simplistic view of a complex situation.

Finally, the discussion document calls for one common claims procedure for the industry, which would embrace Lloyd's as well as all insurance companies.

The industry needs to consider this plea seriously, and the Insurance Ombudsman Bureau seems the most obvious complaints procedure. James Haswell, the Insurance Ombudsman, is probably the best person to advise on household insurance and what is needed in the way of cover, policy documents and promotional literature.

He has seen at first hand the effects of bad drafting, inadequate cover and householders not understanding their policy.

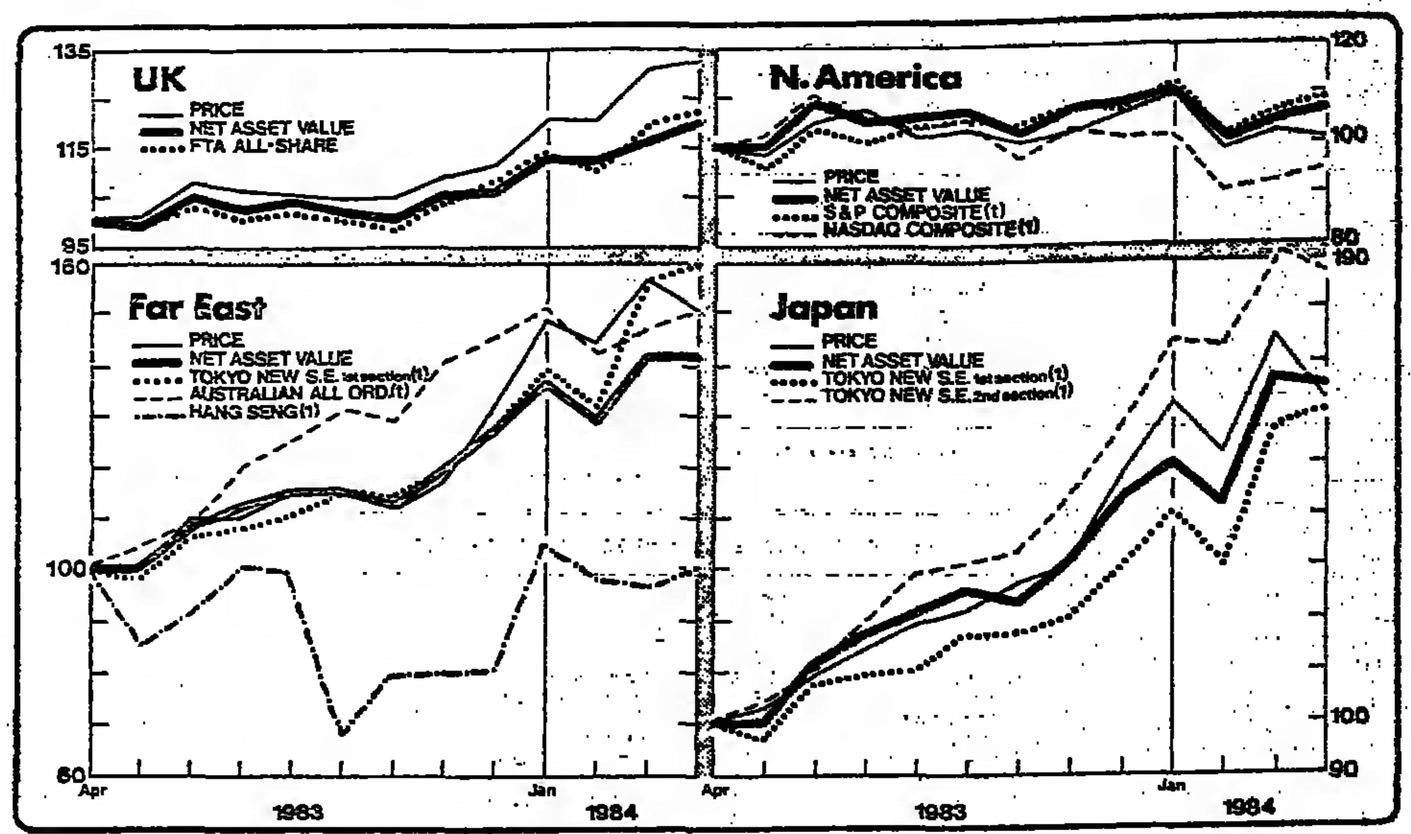
The OFT is seeking views on the subject prior to publishing a final document with recommendations for changes.

Copies of the document *Household Insurance: A Discussion Paper* can be obtained from Room 517, Chancery House, Chancery Lane, London WC2A 1SP and comments are sought by October 31.

INVESTMENT TRUSTS

How do the specialists perform?

STEFAN WAGSTYL examines an important survey from leading stockbrokers



A SEA-CHANGE moving through the world of investment trusts is the continuing trend towards greater specialisation. But the acid test for investors is not how many trusts go specialist but how these trusts perform.

Five years ago just 5 per cent of the sector's assets were held by a handful of specialist funds. Then the lifting of exchange controls removed the great barrier to investing abroad.

The result is that now 35 per cent of investment trust assets are in the hands of 77 specialist funds—a proportion that looks set to grow *still higher.*

Now stockbrokers Wood, Mackenzie, in its latest annual report on investment trusts, has taken a close look at the performance of these specialist funds over the year to the end of April.

Among the six trusts specialising in the UK there was a contrast, as the graph shows between the perfomance of the net asset value of the trusts—in other words the value of the underlying portfolio—and of the trust share price.

The average net asset value slightly fell behind the *FT* Actuaries All Share index probably because, says Wood, Mackenzie, the trusts held too few oil shares and too many electricals and electronics.

But while only one trust beat the index in asset terms, five did so in share price terms. This is because the average discount—the difference between the net asset value per share and the share price—narrowed over the period.

The four North American trusts studied by Wood, Mackenzie moved very differently. Although Wall Street performed positively in sterling terms, it lagged behind the UK market so that the average discount of these trusts widened and the share prices fell behind the increase in net asset values.

All these trusts, except one, failed to keep in asset values with Standard and Poor's Composite, the broadly-based Wall Street index, because they had substantial holdings of smaller company stocks of the kind measured by the NASDAQ index, which slumped this year.

In the Far East, the eight specialist investment trusts observed by Wood, Mackenzie were hindered by their exposure to the tottering Hong Kong market. Worse, they struck the wrong balance in Japan, picking too many small company stocks which were weak, and too few financials, which performed well. All the trusts fell well behind the Tokyo New Stock Exchange Index.

But, as the graph shows, the share prices of these specialists did better than their net asset values—this is because the area as a whole, despite Hong Kong, did better than the UK market.

Seven other funds specialising in Japan alone were far more successful—four outperformed the broadly-based *Tokyo New Stock Exchange First Section* index, and three of these also outperformed the Second Section Index of smaller companies, both in net asset value and share price terms.

Wood Mackenzie points out that a year is a very short time to measure investment performance, but the general conclusion to be drawn is that its achievements so far justify increasing popularity among investors in the sector.

However, this study has looked only at a period when markets across the world were generally rising. Specialist trusts, which concentrate risk as well as reward, may well perform very differently in a bear market.

BUSINESS EXPANSION SCHEMES

An offer you can refuse

BY TIM DICKSON

HOW DO you fancy developing a sophisticated two-seater sports car, preserving jobs in one of Britaio's unemployment blackspots, and qualifying for tax relief under the Government's Business Expansion Scheme?

This combination of glamour, high risk, and tax-based incentive may well prove irresistible to many private investors. But anyonething thinking of responding to such an opportunity through the current offer for sale by AC (Scotland) should think twice before writing out his cheque.

At first glance the prospectus for this recently formed company—which has bought the rights to, and tooling for, the AC3000 ME model as well as the historic AC marque—sounds enticing enough.

The front cover shows photographs of five gleaming sports cars, the inside shows the company making profits on its "ordinary activities" of more than £77,000 in the three months to April 4 this year, and "illustrative profits projections" imply a rapid build-up of sales and profits provided certain production levels can be achieved.

On closer inspection, however, a number of features stand out which not only contradict this rosy picture but in certain cases are arguably misleading.

- The costs of the issue, for example, look steep, amounting to 17.8 per cent of the money raised. *It is only fair to point* out, however, that the costs of raising relatively small sums are always proportionately high.
- The total remuneration of the Ravendale Group—the financial group handling the issue—is far from ungenerous when added together.
- Four of the five cars on the cover are vehicles to which AC (Scotland) has no development or manufacturing rights.
- The profit shown for this year is unrelated to sports car production and arises from "the reinstatement of leasehold improvements, written off in previous years."
- The balance sheet—which like the profit and loss account has been vetted by reporting accountants Touche Ross—is supported almost entirely by the freehold premises of the company near Glasgow. Bought for £465,000 on March 29 this year it has been valued for the purposes of the prospectus "on a depreciated cost basis" at £1.24m. The prospectus admits that this is unrelated to the open market value of the premises.

Admittedly AC (Scotland) is raising a relatively small sum (£448,500 before costs); all the above information, moreover, can be gleaned from the prospectus (if at times only by untangling complex statements); and those higher rate taxpayers tempted to invest in this sort of enterprise (who would have had to solicit a prospectus in the first place) should arguably be capable of looking after themselves.

However, the issue raises wider questions about the way some companies are taking advantage of the Business Expansion Scheme and tapping the rapidly burgeoning Over the Counter Market (OTC).

Both the BES and the OTC have been widely welcomed as important and exciting new sources of finance for new and growing businesses—but the AC (Scotland) prospectus does little to enhance their reputations.

Asked about the costs of the issue—£80,000 in all, out of which £26,910 goes to the London Venture Capital Market (LVCM, a Ravendale subsidiary) in underwriting fees, with the rest accounted for by professional fees and printing costs—Ravendale says such exercises "cannot be done on a shoe string."

Ravendale also points out that the £150,000 contributed by Bexfund 2, a BES fund under its management, should be taken into account when calculating the total proceeds raised for the company.

Besides the LVCM underwriting fee, Ravendale through another subsidiary Corporate Finance has signed a contract with AC (Scotland) as financial advisers under which CF will be paid "for the period ending July 31 1984 and for each consecutive period of 12 months thereafter, a minimum fee of £10,000 plus VAT payable in advance." (This appears under Statutory and General Information in an appendix, not under Material Contracts).

In addition Bexfund Management (another Ravendale subsidiary) has options on 2.5m shares at the issue price of 13p (compared with the 3.45m shares being issued to the public). Readers are told on the penultimate page of the prospectus that LVCM, Bexfund Management and Corporate Finance are all parts of the Ravendale Group.

The new bankers

BUILDING SOCIETIES were clearly delighted by the Chancellor's speech to the Bow Group on Tuesday. He was effectively promising them all the powers they have been seeking.

He gave them the "green light" to become banks, albeit limited or specialist ones, and to offer a wide range of services associated with housing.

He also threw in some extra ones, like the ability to sell stocks and shares, much as the banks do now.

For the consumer it was also good news. It will mean access to a much wider choice of services in both the banking and house buying field, which should also lead to cheaper services.

But though Mr Lawson's speech gave a strong steer of the way in which building societies will evolve it will need legislation to enable them to offer these new facilities and that takes time.

The Chancellor confirmed that the Government's Green paper on future building societies legislation will be published this month. Given the pressure from the National Consumer Council and others anxious to increase the choice for consumers in the financial services, an area already undergoing rapid change, the discussion phase is expected to be relatively short.

Even so enabling legislation is not expected to be passed until the 1985-86 parliamentary session at the earliest. On this assumption Herbert Walden, chairman of the Building Societies Association, does not expect that societies will be able to start offering these new *services until January 1987.*

However several societies, either alone or in conjunction with banks, already offer a number of banking services. Given that the Chancellor has signalled the role he forsees for building societies then an expansion of those facilities which can be offered within the confines of existing legislation is now inevitable.

Not all societies will want to become financial conglomerates and those which want to change radically will have to acquire company, rather than their present, mutual fund, status and be subject to the control of the Bank of England.

It is only the top 20 or so societies which are likely to contemplate moving extensively into the banking field and not all of these will.

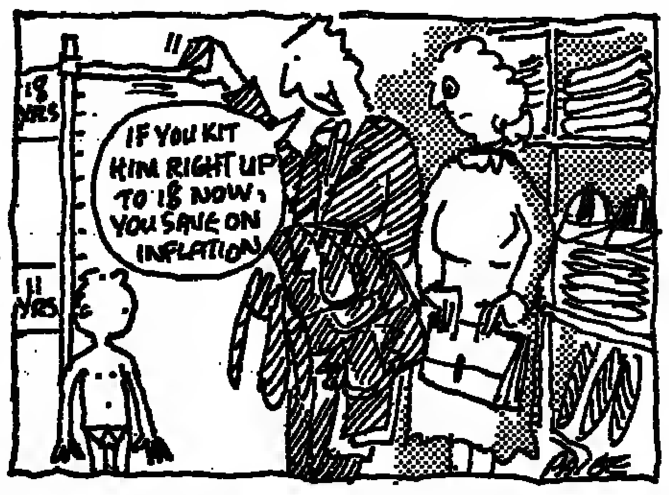
Margaret Hughes

YOUR SAVINGS AND INVESTMENTS

SCHOOL FEES

Good deeds in a naughty world

CHRISTINE STOPP reports on the soaring costs of educating your child and advises on the best way to cope with them



AVERAGE ANNUAL FEES AT JANUARY 1984

	Fees per term Boarding £	Day £
Boys' senior school	1,325	762
Girls' senior school	1,169	599
Preparatory school	975	591

Source: ISIS Annual Census 1984

THE NEED to generate cash in order to meet school fees has given rise to quite an investment industry, whose dilemma is to provide a high rate of return while maintaining a reasonable degree of security. The school fees industry haa traditionally been insurance-based—to such an extent that all the advisers recommend by the Independent Schools Information Service (ISIS) are ither insurance companies or brokers.

How have insurance investments stood up to inflation In an area where long-term savings or capital commitment are forever chasing upwardly-spiralling fees? According to this year's *Money Management* survey, the best 10-year with profits policy maturing in 1984 achieved an average compound rate of growth of 15.2 per cent, compared with an average inflation rate of 13 per cent over the same period. Without life assurance premium relief, which was abolished in this year's Budget, the corresponding return on the same policy would have amonnted to 9.4 per cent.

There are two further problems. First, you would probably not have bought the best performing policy. And secood, school fees inflations bas an alarming tendency to outpace the Retail Prices Index.

Average boarding fees per term at a boys' senior school are currently running at £1,325. Average day fees are £762. The first table, taken from a recent ISIS book, *"Choosing Your Independent School"*, shows the country's top ten most expensive schools for boys and girls. Eton and Marlborough, with termly fees of a mere £1,575, are not even placed.

THE TOP TEN MOST EXPENSIVE BOARDING SCHOOLS

Boys	Boarding per term £	Girls	Boarding per term £
Millfield	2,075	Marymount	1,767
Harrow	1,800	Wycombe Abbey	1,490
Charterhouse	1,800	Cobham Hall	1,485
Cranleigh	1,775	Benenden	1,470
Carmel College	1,725	Cranborn Chase	1,450
Westminster	1,690	Roedean	1,422
Winchester	1,670	Cheltenham Ladies'	1,396
Uppingham	1,660	Westonbirt	1,385
King's, Canterbury	1,655	Sherbnrne	1,385
Stowe	1,650	Tudor Hall	1,380
		Badminton	1,380
		Ellerslie	1,380

Source: Choosing Your Independent School

Faced with this level of outlay, let alone what it may grow to by the time the newborn infant has reached the appropriate age, where can parents look for help? More and more of them, according to school fees brokers C. Howards, are benefitting from the assistance of grandparents. A survey of Howards' clients revealed that grandparents were contributing average annual belp of £963; or a lump sum of £7,625, to ease the school fees burden.

Where a grandparent, or any person other than the child's parents want to give money, the deed of covenant is a well establisbed means of enhancing the gift at the taxman's expense. The normal procedure is followed, with the donor *giving the amount* net of *basic* rate tax, the rest being reclaimed subsequently from the Revenue.

Brokers complain that Revenue practice on covenants varies considerably from one tax office to another. The delay between applying for and receiving the rebate may be two months or longer, and different inspectors have different requirements regarding evidence of how the money bas been used.

Where school fees are concerned, the standard advice has been that the money provided under the deed of covenant should be used for general expenditure for the child, thereby freeing parental income to pay the premiums on endowment policies which are written on the father or mother's life, in trust for tbe child's benefit. Whether this procedure is still necessary following the abolition of LAPR is a grey area, and brokers' practice varies.

A deed of covenant must be capable of continuing for seven years, and this may make it *unacceptable to a very elderly* grandparent, though a codicil can be made to his will to say that covenanted payments not yet made at the date of his death should be made as a lump sum. Tax is reclaimable under a deed of covenant because the grandparent is deemed to have paid tax at the basic rate already. It follows that he must remain a taxpayer for the life of the covenant.

To give some idea of the effect of a deed of covenant on a typical with-profits endowment school fees plan, Invest for School Fees Ltd bas given us the following figures. For a boy just born, requiring school fees at an independent day school from the ages of 11 to 18, and assuming current fees offf £2,400 a year and 5 per cent annual fee inflation, yearly premiums totalling £990 for the *first* ten years (*decreasing* thereafter) would be required. If the money was made available by nsing a deed of covenant, the annual cost would be reduced to £693. The policies concerned are written with Scottish Amicable, and assume the continuance of current bonus rates.

There is a type of covenant scheme which allows tax benefits to be derived from a lump sum gift. It is called a deposited covenant, and bas been pioneered as a school fees vehicle by School Fees Insurance Agency (SFIA). It works like this. The grandparent makes a loan of (say) £7,000 to the grandchild, the child's parent acting as trustee. The loan is nominally to be repaid at the rate of £1,000 a year. On the same day as the loan agreement is made, the grandparent enters into a deed of coveoant for seven years, promising to pay £1,000 a year.

The loan repayment and the covenanted gift cancel each other out, so no money changes bands, but tax can still be reclaimed on the deed of covenant. The money received over the seven years is spread over 10 years' endowment policy premiums.

The deposited covenant is somewhat contrived, and runs into problems should the grandparent die during the life of the covenant. In this event, normal practice would be to waive further loan repayments under the grandparent's will. This turns the loan into a gift, and hence a CTT liability. It also leaves the parent to find the remaining endowment premiums.

SFIA specialises in lump sum scbemes using an independent educational trust which purchases a temporary annuity oo bebalf of the individual child. A grandparent can provide the ump sum for such a scheme, with or without the addition of a deposited covenant. To provide fees in 13 years' time for 15 terms, at the equivalent of £1.000 a term now, and assuming 10 per cent inflation, the capital currently reqnired would *be £14,460*, and *total fees* generated would be £63,225. It is wise to build in a hlgb inflation assumption wben planning school fees.

Looking at something quite different from normal insurance-type plans, it would be possible for a grandparent to give a lump sum to a child direct, so that the child could pay his own scbool fees. It would be necessary to establish with the Reveoue that the mnney belonged to the child. The parent could theo invest on the child's behalf in a portfolio of shares, with dividends mandated to the child's own bank account. Wheo fees occur a cheque could be sent on the minor's instruction to the school, or part of the portfolio could be realised. There should be no difficulty for a minor making share deals for casb, though unit trust or offshore fund managers may not be keen on sucb an arrangement.

*By Tim Devlin, ISIS/Arrow Books £2.50

PROPERTY

Bargains to seek on old estates

BY JUNE FIELD

THE LITTLE cottage at the Orchards, Ticknall, alongside a field of corn on the Calke Abbey Estate, Derbyshire, is crumbling a bit, but the wild ½-acre garden with its over-blown poppies and roses a riot of colour, will be a certain attraction when the place goes under the hammer on Wednesday, July 18, on a price guide of £32,500-plus.

The auction of some of the outlying properties plus some farmland and a building plot, is the start of a carefully planned exercise by Jackson-Stops and Staff, advisers to the trustees, to raise the money to pay the capital transfer tax on this strange estate. Calke Abbey itself, a badly neglected baroque house built 1701-3 by Sir John Harpur, was preserved for posterity after the last Budget. The impressive looking building, hidden in a hollow at the end of an avenue of limes, together with some of its acreage, is going to the National Trust.

"The major problem has been to persuade the Department of the Environment to agree to a large enough amount of land to pass with the Abbey," says auctioneer Tim Jackson-Stops.

Sales of a number of let farms and houses have been agreed with the tenants. Being offered with vacant possession are places such as the Old Post Office, Stanton by Bridge (the business has gone to a building across the road), estimated to fetch £40,000 or so.

In the £60,000-plus bracket is Arleston Farm in nearly 12 acres just south of Derby between Twyford and Sinfin. A prolific potato crop was being irrigated as I drove up to the old farmhouse with its barn, cow sheds and stabling.

"The auction looks like appealing to those wanting to increase their farming acreage, to private individuals and family trusts seeking investment in land or houses with potential capital appreciation, as well as to home-hunters wanting a pretty place to live," says Tim Jackson-Stops.

With Calke Abbey expected to be acquired by the National Trust around October, they say that the due date for opening to the public will not be until April 1, 1988, after a large programme of building repairs. A 40-strong National Trust arts panel has started assessing the contents—treasures, and junk horded over the years in dust-filled rooms.

A plethora of stuffed birds, Victorian scrap screens, stags' heads, and so on, mingle with more meaningful pieces acquired by the family on the Grand Tour.

For auction details contact Jackson-Stops and Staff, 14 Curzon Street, London, W1. For background notes on Calke plus a coloured poster, send £1.50 which includes postage, to SAVE Britain's Heritage, 68 Battersea High Street, London, SW11.

On Wednesday some of the properties on the Woburn Abbey Estate, Bedfordshire, go to auction at the Sculpture Gallery in Woburn. Enormous interest has already been generated, with over 600 inquiries received and over 1,600 brochures sent out by David Bateman, Bidwells, Trumpington Road, Cambridge, auctioneers for the trustees. For sale is the Old School and the School House, both recently in use. (The 9th Duke regarded the education of his employees' children as his responsibility, and the village schools throughout the area bear the Bedford crest.) Price guides are £50,000-plus.

The Hendre Estate, Monmouth, seat of the Rolls family of Rolls Royce fame, which was offered as a whole by Humbert at auction on June 14, was withdrawn as bidding reaching £3½m, as was the leisure complex at £1.2m. But agricultural land and forestry sold well at just over £2,400 an acre. When the estate comes up again on Wednesday, July 14, provided it has not sold beforehand, there will also be a chance to buy some interesting vacant possession properties such as the old blacksmith's forge (£10,000 upwards), and village houses ranging from £30,000 to £85,000 or so. Details from Hugo Peel, Humberts, 25 Grosvenor Street, London, W1.

Smaller estate properties have been selling well. At Goodwood House, Sussex, family seat of the Dukes of Richmond and Gordon, Humberts' auction last month of 11 period cottages made well in excess of the price guides. Two lodge cottages fetched £78,500 and £92,000 respectively, a pair of cottages that were once an old coaching house, £83,000, and terraced houses in Boxgrove between £25,500 and £40,000.

The Old Post Office, Stanton by Bridge, Derbyshire, included in the sale of outlying properties on the Calke Estate on Wednesday July 18, with a guide price of £40,000. Details Tim Jackson-Stops, Jackson-Stops & Staff, 14 Curzon Street, London, W1 (01-499 6291).

The Village Hall, with minstrel's gallery, dove-cot and weather vane, built 1904, suitable for conversion to a house, has a minimum estimate of £5,000 on it in the Hendre Estate, Monmouth auction on Wednesday, July 18. Details Hugo Peel, Humberts, 25 Grosvenor Street, London, W1 (01-629 6700).

Steam goes out of the market

IS THE STEAM going out of the housing market? Some estate agents who were joyfully reporting big business only last month are beginning to experience withdrawal symptoms as the burst of buying in the first half of the year calms down.

Certainly with a more balanced demand, prices have settled to what most agents agree is a summer peak. And with holidays intervening, those buying now are unlikely to take possession of another home before early autumn unless the legal side is speeded up.

West Sussex estate agents, Whiteheads, originally maintaining that spring fever in house sales looked set to continue well into the summer, now sound a note of caution. At their Worthing office director Sir Richard Holderness considers that the buoyancy in the market might lead to a building societies not being quite so generous in their lending policy over the next three to four months.

Reeds Rains, with offices in South Manchester, north-east Cheshire and Lancashire, although conceding that smaller houses in the first-time buyer section are enjoying a healthy level of demand, observe that prices are not rising so quickly as they had expected.

Arden and Partners in High Street, Lytchett Matravers, Dorset, agree that although prices have undoubtedly increased over the past few months, they have not done so as much as was generally predicted. Says Terry Arden: "We have seen several cases where vendors have expected a much higher value on their property, and have been disappointed when their home is valued, and fetches less than they thought. Nevertheless, there is a lot of movement of staff from offices in London creating a good demand."

John Gibson of Savills, London Road, Chelmsford, admits that the few really large country houses for sale in rural Essex are largely overvalued. He has strong feelings about this, pointing out how important it is to have an intimate knowledge of the overall market.

"In order to produce an accurate valuation of a country house, one needs to know the sale prices of between 10 and 20 similar houses, and not the price at which they were advertised, which we suspect many agents use for comparables. Comparing properties in different price brackets produces a false picture and often results in too high a valuation."

GARDENING

The ready to-wear lawn

BY ARTHUR HELLYER

EVERYBODY knows that the quickest way to get a lawn is to lay turf, but for the home gardener this has also too often been the quickest way of establishing a lawn full of weeds and unsuitable grasses. Contractors supplying the mass market for turf have usually purchased wherever they could find it, sometimes from meadows, often from building sites before the builders started work.

Thanks to the efficacy of modern selective herbicides, many of the weeds can be eliminated quite quickly — though not all of them — but there is absolutely nothing that can be done to change the grass species of which the turf is composed except that persistent close mowing will gradually eliminate some of the coarser grasses.

This rather dismal picture seems to be changing rather rapidly. There have always been some firms who have grown turf specially for the sports market and now at least one of the largest operators in this field, Rolawn, has come to the unusual conclusion that the greatest scope for further expansion is in the home garden market.

Rolawn began growing turf as a farm crop at Elvington near York in 1975 and now has about 1,000 acres under cultivation in five centres, strategically placed in East Lothian, Yorkshire, the West Midlands and South-east England to reduce the cost of transport. Expansion is continuing and present plans are to have 2,000 acres under high-grade turf by 1989. A few weeks ago I visited the Rolawn Shakleford production unit near Godalming to see for myself what the firm was doing and was considerably impressed with what I saw.

All the grass at Shakleford was of high quality and free from weeds. Several different seed mixtures are used according to the purpose for which the turf is required but much of what I saw contained a dwarf pedigree ryegrass for hard wear with the addition of fescues and browntop for a close sward. One considerable area of this farm was being sterilised with methyl bromide to eliminate all weeds and native grasses before sowing for the finest bowling and golf green turf composed entirely of fescue and agrostis varieties. The fumes given off by this chemical are highly poisonous and must be confined to the soil.

To do this a machine manufactured in Holland is used which simultaneously injects the methyl bromide, draws a wide sheet of polythene over the ground, buries the outside edge beneath soil to anchor it firmly in position and then instantaneously glues the edge of each successive sheet to its neighbour. At the end of the run the outside edge of what has now become one gigantic sheet is again anchored with soil thrown over it by the machine. It is said to be the only one of its kind operating in Britain.

Haven't you got any other colour but green?

All the grass is irrigated by self-moving equipment of the impulse type, the water supply drawn from a deep borehole. Mowing is carried out regularly by gang mowers so that a short, well tilled turf is produced in the shortest possible time. So well rooted is the turf when ready for lifting that it can be cut with a mere ¾in of soil instead of the 1½in usual with meadow turf, so halving the weight to be transported. The turf is cut in strips approximately 16in wide by 81in long so that each turf covers one square yard and these turves are rolled up in the conventional way, and packed on 4ft square pallets each of which holds about 60 square yards of turf weighing some 2,700 lbs.

Production is continuous throughout the year and for large contracts delivery is direct from farm to user but for the smaller quantities required for the private market the turf will come through retailers. Price varies according to quantity and quality, from as little as £1.40 per square yard for hard wearing turf to £2.20 or thereabouts for the finest mixtures.

Turf farms of this kind are a refinement of traditional methods of producing high-quality lawn turf. A different approach is the production of turf strengthened with nylon mesh. The method was introduced a good many years ago under the trade name Bravura Turf and is still so called though the patent rights have changed hands several times, the present producer being Elborough Nursery, Hatton, Weston-super-Mare. Bravura Turf represents a horticultural rather than an agricultural response to production. It is a small-scale rather than a large-scale method which dispenses with ploughing, harrowing and rolling and instead makes use of impermeable sheets to which nylon mesh is laminated and over which a peat based compost is spread ¾in deep. In this the grass seed is sown and the grass roots quickly become entangled with the mesh which gives the turf great strength.

It is grown in strips about 30 inches wide and of almost any length since it can be rolled up again like a rug and unrolled again on site, at which stage the backing sheet is peeled off so that the grass roots can grow downwards unimpeded into the soil.

Bravura turf is very light and very easy and quick to lay. There are also far fewer joins to knit together before the turf can be used. In price it does not work out very different from the Rolawn turf something between £1.40 per square yard, for large quantities, and £1.80 for small orders. The standard turf contains smooth stalked meadow grass, known in America as Kentucky bluegrass, for hard wear, but fine mixtures are also available and it is also possible to have special mixtures grown under contract.

It is all a long way removed from the old-fashioned hit or miss turf of the garden contractors. Turf can be laid at any time of the year provided it can be kept watered in dry weather but the most favourable times are March-April and September-October when conditions are usually favourable for rapid establishment. It is wise to clear the soil completely of weeds before laying turf as, though this will prevent seeds from germinating, it will not stop weed roots from pushing up shoots through the turf. One of the best mehods is to cultivate the ground, leave it for a few weeks for the weeds to start growing and then spray these with glyphosate (Tumbleweed or Roundup) and lay the turf as soon as the weed leaves have turned brown.

Arthur Sandles on some unusual encounters in Sweden

Land of forest, fish and ancient towns

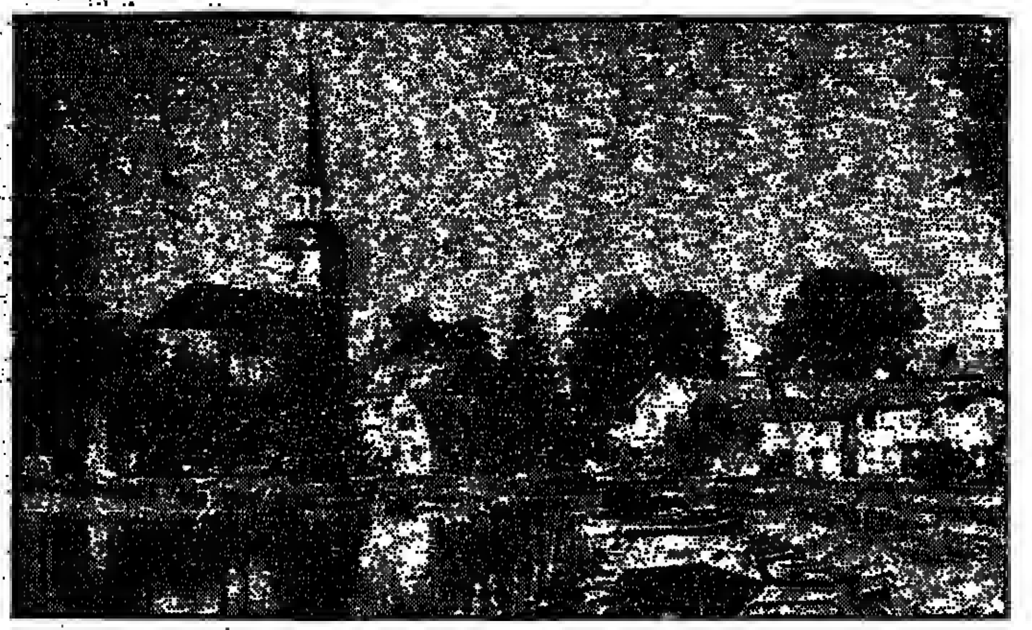
IT WOULD be nice to tell some colourful tale about the former President of the U.S., Gamla Stan and myself, but in fact it was all rather prosaic. Gamla Stan is not what he seems for a start. It, rather than he, is the old quarter of Stockholm, and a fascintaing sort of place for any meeting. My own appnintment was with the King and, unusually for any notebook clutching hack, I was early and had been taking coffee in a quiet square. I conld fib a little to say that Mr Jimmy Carter and I exchanged pleasantries under the warm Swedish sunshine. The truth is, however, that we faced each other briefly in an accidental confrontatinn, doing that strange dance of embarrassment that people who block eacb others' paths do on these occasions. Without words we then went our separate ways—I for my Majestic chat and he to buy antiques.

It is always after the event that one thinks of clever things to have said. Given the Royal and Presidential meetings again I bave no dobut that both would be dazzled by the wit and repartee which they would have enjoyed. There is, for a start, the advice to Mr Carter that he took totally the wrong course in both arriving and departing from Stockholm by air.

A city prospered largely because its setting at the heart nf a maze of waterways gave it remarkable security. Stockholm bas an air of prosperoua permanence. Even today Russia regards those tortuous Baltic inlets as a perfect training ground for its submarine technology. If they were to surface from time to time they might note that the approach to Stockholm by sea is one of an ever changing panorama of beach, rock, islands, birds and forest. Even by road yon weave your way to the old parts of the city centre beside water, having traversed the country through deeply forested terrain dotted with smug little houses, ochre coloured and, at this time of the year, flower bedecken.

By train as well, using one of the best rail systems in the world, the arrival is one of eye opening interest. But by air? The quick rusb down town, albeit through woodland for much of the way, is hardly a satisfactory approach.

By European standards Sweden is a big country. From end to end it ia around 1,000 miles and the area about twice as hig as the British Isles. More than half the land ia covered by forest, in spite of that continued major Britisb export, acid rain. The population has tended tn congregate at the bottom end of the country, with around 1.5m of the 8m inhabitants living within striking distance of central Stockholm.



The resort of Mariefred on Lake Malaren

In spite of being such an urban magnet the capital has managed to retain its charm, thanks tn that watery geography. The islanda that form the hasis of Stockholm have lent themselves to architecture of a manageable scale. The city's modern section, as gleaming and avante guarde as the latest Orrefors glass jug, ia neatly contained in the Norrmalm area from whence Stockholm drifts off northwards through pleassnt enough apartment-packed suburbs and into the inevitable pine woodlands.

Anart from forest you need to like at least two other things really to enjoy Sweden, herrines and snaps. Your berring will come in a variety of forms as a result of being pickled in an alarming array of substances. Such is the complexity of the range of herring dishes that other fishy offerings, including the strange gös (pike-nerch), all become herring in the diner's mind.

Traditionally these fishy wonders, and the snaps, are served with boiled potatoes. This makes the next few weeks, when the first of the summer crop potato is arriving, an ldeal time for a visit. It is a time too when the weather is normally ideal for travel. For all its northerly aetting Sweden can enjoy hot summer, hut normally you can expect Scottish-style weather conditions — a little cool for aunbathing perhaps (not that the bare-bosomed ladies of the Baltic coasts, seem to mind) but perfect for sight aeeing and walking.

It is perhaps because of its northern lattitude, along with its image of expense, that Sweden has had something of an upbill struggle in tbe world of tourism. Lately the tide of traffic has been turniog. Exchange rates bave altered in the favour of visitnrs, and tourists the world over are showing a growing disenchantment with beaches, seeking instead a little more of the country air.

There are three excellent ways of sampling the Swedish version of this rural lifestyle—self catering, farmhouse holidays and hotel touring.

Sweden's self catering market is almost a major industry, such heavy users of holiday homes are the Swedes themselves. Most of the holiday cottages available to visltors, but no all, are in specially constructed villages and as such are particularly attractive to families with children. I have never counted them but there seem to be hundreds of these villages. Around the pleasant shores of Lake Siljan in central Sweden alone there are 20.

Typically the villages are collections of wooden cabins, set among trees and fully equipped with bathrooms, kitchens and good sleeping accommodation. Generally the furnishing tends to he of good quality but fairly basic although, fnr a price, you can enjoy more sybaritic settings. There is normally a central club house with restaurants, bars, shop, sauna, often a swimming pool and usually facilities for the rental of boats and bicycles.

A group of four adults would pay between say £175 and £250 each for two weeks in midsummer at such a village, including ferry (for people and car). There are, of course, reductions for children.

Swedish farmhouse accommodation varies from British-style bed and breakfast, with similar wide variations on a basically high standard, to what are in effect small rural hotel operations in farmhouses with eight or more rooms available to guests. The mood is friendly and food offered in prodigious quantities and English almost universally spoken. Expect to pay between £10 and £20 a night for a comfortable double room and breakfast with private facilities at the upper end of that scale. The rooms are sometimes in the ubiquitous log cabins in the farmhouse grounds with meals being served in the main house.

Sweden, in common with other Scandinavian countries, offers a hotel cheque scheme. These cheques are valid for large numbers of hotels and are valid for accommodation of a variety of standards. They are only obtainable outside Sweden and can be bought from agencies listed by the Swedish National Tourist Office.

DFDS, the Scandinavian ferry company, offera cheques as part of a roving package. Take your own car and a seven night stay (10 days including ferry travel) in Sweden using grade B hotels (a modern motor inn would he a group B) would cost £246 for each of two people, including the ferry for people and car. Additional nights are £14 per cheque, child cheques are £7 for each additional night. Room upgradea to a group A hotel cost SKr 45 a night (about £4 at present exchange rates) paid direct to the hotel.

These cheque schemes are an excellent way of touring the country while knowing in advance what the cost is likely to be.

If you do sample a touring holiday in Sweden your most likely entry point to the country from Britain will probaby be Gothenburg, a pleasant enough seaport but one with a parking problem. If it is a first time visit tn the country I really would urge a visit to Stockholm. It is one of the most delightful cities in Europe, even if, as in Gothenburg, you must first find a place to leave your car.

On a warm summer's day It is nice simply to walk around and watch people, to take a hoat ride, or to go and see the latest stage of the work on the preservation of the Vasa. This is Sweden's Mary Rose, a vast vessel being gradually nursed into accepting life above the waters again. There are considerable arguments over whether it should be Vasa or Wasa. The man largely responsible for bringing the ship up, Anders Franzeo prefera Vasa.

While you are there It is worth pausing for a while at least in the narrow streets of the old section of town, Gamla Stan, where presidents and visiting journalists do little jigs to amuse the crowds. Do not, however, be over optimistic about seeing the Kiog. He and his family prefer Sweden's country air. There Is wisdom ln that.

Further information: Swedish National Tourist Office, 3 Cork Street, London W1X 1HA or 3 Rockefeller Plaza, N.Y., N.Y. 10019. DFDS (UK), Latham House, 16 Minories, London EC3N 1AD.

Ulster's other face

BY JOHN GRIFFITHS

MY IDEA of water torture is a mid-summer cruising holiday on that aqueous equivalent of the M4, the Thamea: an endless stream of boats; long queues for locks.

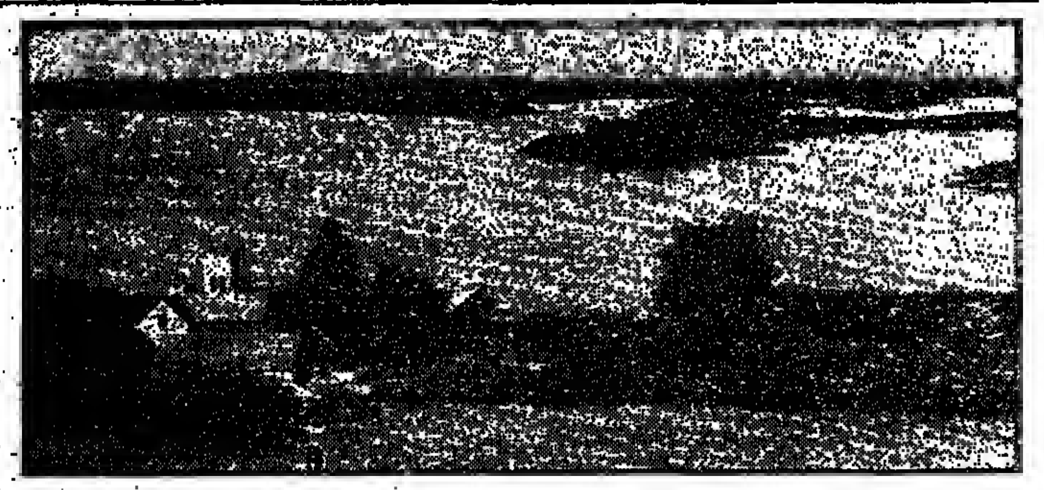
The Norfolk Broads?

They're a bit like Hyde Park Corner before the traffic lights were installed: lots of room in theory, but snarled up by lots of pilotes wandering all over the place—and with boats you don't have to pass a test . . .

Yet there exist within the UK 300 square miles of lakeland which beats both the above hollow; and where, furthermore, you can cruise and fish for two weeks, never pass the same spot and rarely see another boat unless you wisb to.

In terms nf tourist density, Lough Erne—about 90 miles west of Belfast—has more the haunting isolation of a Canadian lakeland than one located in Europe.

The instinctive reaction is to say "hardly surprising—look where it is." In reality, however, Northern Ireland's political troubles impinge tn an insignificant extent on this lush region which takes up a large part of Fermanagh. Indeed, until last month the Northern Ireland Tourist Board's statistics had been showing that since the latest bout of the Troubles bega nin 1969, just one touriat had been injured hy sectarian vinlence in all nf Northern Ireland.



Fermanagh (Lough Erne) from Knockinny

The record did get hlemished in May with the bomb attack which killed two off-duty soldiers in Enniskillen and caused alight injuries to several visiting anglers taking part, like the soldiers, in a fishing festival.

Tragic as it was, it was also the first such incident for about a decade. The nverwhelming majority of local inhabitanta were as outraged by the incident aa anyone in Surrey . . .

Set this sgainst the spectacular attractions nf the area, particularly to an outdoorsman. The attractions are far from confined to the scenery. This is aome of the hest fishing water in Europe: salmon, hrown trout to over 20 lbs, and an abundance nf coarse angling. The local saying that Lough Erne is "on average 40 feet deep—nnly 20 feet of which is fish" is not that much of an exaggeration.

The same setting anywhere else tban Northern Ireland without question would he an irresistable lure for thousands. The lough itself has hundreds of miles of shoreline and an almost uncountable number of islands and hidden inlets.

They include places like Luaty Beg, a large island just off the north shore reached after ploughing across effectively an inland sea of open water. A bird sanctuary, it houses just a few chalets, a friendly bar and an unpretentious hut excellent restaurant.

Friendly puhs and small hotels are scattered all around the lough but are lost in its acale. After a couple of days, even the rural areas of the Home Counties seem to helong on another, crowded planet . . .

Given that the fishing is free, and that even an eight-berth cruiser, 33 feet long and with all mod cons such as showers, hot and cold running water and two loos costs not much more than £300 even in high season from the handful of operators hased around Enniskillen, Fermanagh's lakeland must he one of the cheapest, most effective ways of getting away from it all . . .

Hotel and hoat hire details from: Northern Ireland Tourist Board.

My, but they do go on a bit

I DO not know whether my friend at the Yorksbire and Humberside Tourist Board has read English cricket captain Douglas Jardine's reminiscences of the 1932 bodyline tour, now reprinted.

Jardine, in a fascinating historical survey of leg theory bowling, says that some people claim that it was invented by a Yorkshireman, the great George Hirst.

My friend will be pleased. On a recent trip to my native county he told us that Robin Hood was a Yorkshireman, that Maid Marian was born in the Cleveland Hills, and that the last Anglican priest to be defrocked for celebrating the Roman Mass was a Yorkshireman.

But there we were in the North Yorkshire National Park, a pleasant area for a weekend or midweek break. Yorkshire seems to he selling tourism in a typically aggressive way, which doesn't matter when the scenery and the honest, plain food are so good.

Honest and plain? Well, not necessarily. A delicatessan in Kirby Moorside, a little market town unknown to millions, is like a minature Harrods, a place of pilgrimage for self-catering gourmets.

We visited the Worsley Arms at Hovingham, which in s post-luncheon confusion became "that pub run by the Duchess of Kent's brother." It isn't, but it's named after the family. But we found ourselves up to the kness in history wherever we went, a great score fnr Yorkshire in Heritage Year.

There's a lot to he said for York. It is the beart of Yorkshire, although we from the West Riding say: "It may be the heart, but the brains are in Leeds and Bradford." In York history trips you up at every corner — Romans, Vikings, Normans, Richard III, Dick Turpin, George Hudson the railway king, chocolate pioneers Rowntree and Terry and many others.

From York to Whitby is a matter of only about 30 miles. The little seaside and lobster port with its ruined abhey on the hilltop is a nice enough place tn spend a couple of days.

Whitby bas adopted Dracula as a Yorkshireman, and there is nn doubt that in Bram Stoker's novel the bloody count did leap off a wrecked ship at Whitby in the form of a big black dog.

Visitors are taken on The Dracula Tour, interrupted by a short rest on The Dracula Seat, thought to be the place where Mina—or was it Lucy?—first succumbed to the count's blood-thirsty attentions. I thought it happened on Hampstead Heath, but I was told: "You've got it mixed up with Wilkie Collins' Woman in White." They do admit, however, that hecause of Dracula's unfortunate Hungarten birth he could never have played cricket for Yorkshire.

Just a few minor niggles. Why do you have to burn so much shoe leather trying to find a York ham in York? Why have they renamed the Royal Station Hotel the Royal York Hotel (I know BR has sold it, but the new name seems like a punch in the teeth for George Hudson and the Railway Museum just around the corner)? And why does it always rain when I go to Whitby?

Among the gems — York's Railway Museum, Laurence Sterne's house, heautifully preserved in the national park area (yes, he was a Yorkshireman, too), and the cheese.

The Wensleydale is perfect and I can recommend a new goat's milk cheese, known in North Yorkshire as "the secret cheese" because of some prejudice in the dairy establishment against any other than cow's milk cheeses.

At one pub lunch, we were served by mine host himself. One of our party, a decadent southerner, asked: "Could I have some Cheddar?"

"Cheddar!" he said. "We put that in mousetraps up here."

They do have a way with words in my native county. And with history. They haven't yet claimed Shakespeare as a Yorkshireman. But it could happen anytime.

Alan Forrest

The Chevrolet Corvette; America's bid to beat the European supercar makers at their own game.

Different American dream

BY STUART MARSHALL

THE NEW YORK-registered Chevrolet Corvette burbled slowly off Townsend Thoresen's Spirit of Free Enterprise in Calais at 10.30 am and I headed straight for the A26 autoroute.

Pausing only for petrol in Belgium, I headed east, crossing into Germany near Aachen. Then I drove to Cologne, where I spent 45 minutes, trying first to reach the cathedral and then to park where the twin spires would make a good background fnr a picture of the car. I was wasting my time. They're digging up the tramlioes in Cologne and the chaos was as had as it had been a month earlier in Vienna, where they are building a Metro.

Breakfast had been so large and reasonably priced on the boat that no lunch stop was needed, so I escaped from Cologne's traffic, headed for the autobahn and turned west. Less than 10 hours and 650 miles after leaving, the Corvette, my colleague and I were back in Calais, in good time for the 9.15 Townsend boat and dinner as we sailed back to Dover.

It tok a little time to explain to the Customs lady (like policewomen, they get younger and prettier every year) what two Britons were doing, trying to bring a U.S.-registered car into England. I bad expected trouble from first thing, but we had beeo waved through every frontier crossing until we got back to Dover. When I reached my kent home soon after 11 pm I had driven 750 miles single-handed. I was surprised to find that I was feeling much better disposed toward the Corvette than I had early In the day, splashing through the lanes en route to Ashford and Dover.

It is a strange car, but it grew on me. What it does to the mature American motorists who buy it (the younger nnes can't afford it at US$28,000, fully loaded) I can't imagine. At the 55 mpb speed limit one notices only the had features—the cramped cockpit, the poor close-range visibility and the thumping and hanging as the immense 50 series Goodyears fall intn potholes or ride over drain covers.

At twice the U.S. limit—perfectly legal on the autobahn, thank goodness — the Corvette come alive. Strangled by emission control equipment, the 5.7 litre V8 produces nnly 205 bhp compared with 218 bhp from a 3.5 litre BMW six-cylinder. Even so, a firm foot on the accelerator produces a bull-like bellow and the digital speedometer is soon showing 110 mph and still rising. I saw 120 mph many timea and 130 mph once. At that speed an apparently straight and empty autobahn suddenly becomes curving and crowded.

Anyone who thinks that all American cars are marshmallowy with exeeesively low geared steering should try a Corvette. It is ultra responsive to small steering inputs and its handling compares with Europe's best. The ride ls firm, even harsh, and I can not think of a car that feeds more tyre-generated noise into the passenger compartment. Even on seemingly smooth concrete — like a U.S. Interstate—at 80-85 mph, the hi-fi radio gives up the unequal strugele to be heard. The noise changes as one runs from, say, concrete to tarmac. It is like pulling out a different stop on an organ.

My fuel consumption was, according to the computer, 17.9 mpg, varying from around 16 mph on the autobahn tn 20-21 mpg on the more leisurely — and speed restricted — roads of France, Belgium and Britain. A brim-to-brim check when refuelling three times gave me 19.6 mpg but I do not know who was more accurate, the computer or me. And my gallons were Imperial.

What fascinates me is why the Corvette is made at all. I see it as a bid by the world's largest car maker to beat the Europeans at their own high performance game. It is partly successful. The driving position is marvellous; no aches or pains, not even a tiny swinge, after 750 miles. And the seat is fully adjustable electrically. There is massive luggage space for a two-seat supercar. The boot under the powered glass hatchback swallowed 20 hottles of wine and six cases of beer (one of the great bargains at French hypermarchés) with space to spare. But you have to hend right over the Corvette's haunches to take things out. The U.S. medical profession must be ruhbing its hands at the thought of profitable business putting back slipped discs.

There is a lot of high technology under the glass fibre reinforced plastics hody. Things like forged light alloy suspension links and composite leaf springs. Exciting fnr the car fanatic—but for the typical Corvette owner? I wonder. Build quality is not in the same class as taat of, say, a Porsche. It is a broadsword, even a battle-axe, compared to the rapier-like nature of a Jaguar XJS-HE or a Nissan 300ZX Turbo. But it ia an attention getter; crowds gathered wherever I parked it. That could be reason enough to buy one.

Uneasy road to freedom

BY SAMUEL BRITTAN

Hayek on Liberty
by John Gray. Basil Blackwell
£19.50. 230 pages

When Friedrich Hayek received a well deserved and belated C.H. recently, several newspaper reports (not the FT) said that he had been honoured by Mrs Thatcher as the "founder of monetarism." These comments revealed characteristic ignorance. For Hayek has throughout his career warned that "there is no such thing as the quantity of money"; and he has deep-seated objections to the use of such statistical abstractions as a guide to policy.

Even the official citation, which says for "services to the study of economics" is not quite on the ball. For Hayek has over several decades treated economics as merely part of a much wider study of the growth of spontaneous social orders. In *Hayek on Liberty* John Gray treats Hayek primarily as a philosopher. His book is analytical, not hagiographical, and almost certainly the best book on the subject. Not the least valuable aspect are the comparisons and contrasts not merely with Friedman, but more interestingly with Mill, Spencer, Popper, Oakeshott and many other thinkers.

Gray finds the key in a work entitled *The Sensory Order*, dating back to Hayek's student days. For even then, Hayek was as much concerned with philosophy and psychology as with economics. Hayek's thinking derives from the Kantian view that we cannot know the world as it really is but must inevitably bring our own mental constructs to it. He sees these constructs, however, as subject to evolution and change on the basis of fitness for human survival. He insists that our most important knowledge is not of propositions or theories but practical skills and dispositions governed by rules which we may imperfectly discover afterwards, but not formulate in advance. He sees economic or social theory as the working out of patterns rather than the formulation of easily testable numerical relations. For Hayek the key to human institutions is natural selection among competing traditions and the terminal level of explanation is not individual choice but "genetic replication."

Hayek regards the cardinal error of our times as something known by the ungainly label of "constructivism." This is the error of believing that any order we find in society—capitalism, societies, feudalism or whatever—has been put there by a designing mind, and can be *accordingly redesigned* from scratch. Any reflective journalist will see the point. For he will be familiar with the combination of naive rationalism and superficial moralism which prompts many of his profession to wade in with ill-thought schemes for salvation, whenever they fail to discover immediately an obvious justification for any institution, practice or event. He will also be familiar with the frequent neglect of the long range and unintended consequence of human activities and interventions.

Is there not, however, a contradiction between Hayek the evolutionist thinker, and Hayek the philosopher of liberty, whenever society moves in non-libertarian directions? Hayek has condemned large segments of contemporary moral life—including prevalent notions of social justice—as inheritances from a cherished tribal morality and quite unsuitable to today's Great Society. Indeed he has recently suggested all sorts of "constructivist" reforms, ranging from a new kind of two chamber constitution to competitive private enterprise money.

In Gray's words:

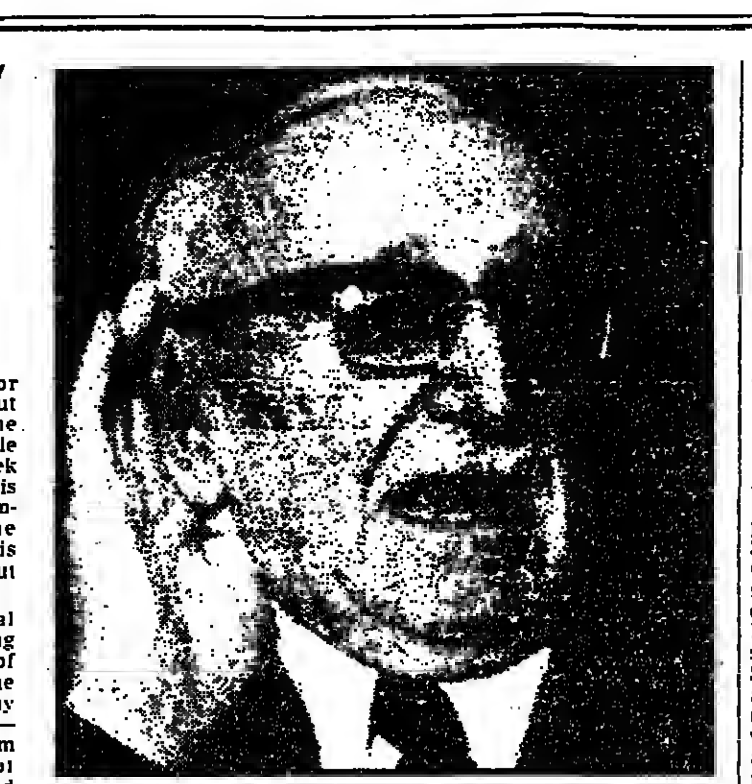
> Hayek seeks to combine two attitudes, that of classical liberalism in which the individual is sovereign and conceived as the bearer of weighty moral claims against society, and that of traditional conservatism, for which human individuality is itself a cultural achievement and in which individuals are subject to the claims of their society's moral practices.

John Gray would like to think that this is a successful combination. But at key points in the argument Gray is having to impose moral side-constraints on the acceptability of any evolving spontaneous order, e.g. that it emerges from voluntary transactions undertaken within a stable framework of law. In the end he admits that competition between social systems may lead neither to liberal results nor even to the survival of the fittest, unless "fit" is defined in terms of ability to capture the coercive power of the state. So he concludes that one may have to choose between Hayek's "evolutionary endorsement of man's random walk in space" and his critical analysis of 20th century thought and practice.

My own choice is unhesitatingly for the latter. I was first attracted to Hayek by his concern voiced in *The Constitution of Liberty* "with that condition of man in which coercion of some by others is reduced as much as possible." Hayek's writings have asserted the case for general rules over discretionary authority. They have exposed the misleading identification of liberal democracy with the divine right of a temporary majority. They have shown that the domination of both the political and economic market-place by interest group struggles is a source of evil and instability. They have explained why pecuniary rewards neither can nor should reflect merit.

These important and controversial assertions were made before Hayek became so taken with evolutionism. A more important observation is that none of them rule out—as Hayek too readily assumes they do—redistribution via the tax and social security systems, and above all the reform of property rights. What market liberalism has always lacked is a theory—not of the just wage which is a chimera—but of the just distribution of property rights. Neither evolutionism, nor any other intellectual strategy can avoid the need for a *normative* theory of just transfer and just holdings.

It is, however, just their tendency to bring such key issues to the surface for the sensitive but non-adulatory reader that constitutes the attraction of Hayek's work; and en route to his conclusions he tells us far more about human institutions than does much of what passes for social science today.



Hayek: honoured by the Prime Minister

English eccentric

BY PETER VANSITTART

Faces of Philip: a memoir of Philip Toynbee
by Jessica Mitford Heinemann.
£9.95. 175 pages

Philip Toynbee was a novelist, poet, autobiographer, and for 30 years chief book-critic of the Observer. He was a public school rebel, Communist until outraged by the Stalin-Hitler Pact, thenceforward a non-party sharpshooting commentator. Sometimes Philip was an activist, losing his teeth from a racialist punch-up, in the spirit with which he edited anthologies on 'under-dogs' and nuclear weaponry.

He was a singular mixture of traditionalism and radicalism. He admired Danton, Cobbett, Nansen, Bonhoeffer, certain Great War airmen, certain saints, and ended up as a convinced, though struggling Christian and would-be mystic. Fiercely independent, he loathed trendiness though without rancour or envy. Why, he demanded, was 'Theatre of Cruelty' so chic, whereas 'Theatre of Kindness' would be ridiculed?

Philip's father was Arnold Toynbee, his grandfather Gilbert Murray, whose wife, dogmatically egalitarian, refused to be presented at Court because of the number of common people to be found there. Such bizarre contradictions existed in Philip himself, who travelled on Communist business with tails in his suitcase for a weekend at Castle Howard.

A remorseful hedonist, gamey, idea-loving, often irresponsible, in one family Philip was called "Plunger," for his headlong dives into parties, beds, causes. Julia Strachey called him "a real duck with a good dash of goose thrown in." Ivan Moffat noted his "ugly beauty." He presented himself as an ironical, self-mocking clown, presumably to cover his contrasts, pronounced weaknesses, and melancholy accompanied by exuberant strengths, intellectual austerity dogged by drink.

Generous, compassionate, he could nevertheless be extravagantly insensitive. Ribald, anarchic, he was also both authoritarian, and an eloquent defender of the democratic virtues of income tax. Professionally successful and punctilious, he seemed mysteriously engulfed in a search for defeat. Promiscuous, he desperately wanted a marriage which, achieving, he wilfully wrecked.

With a self-belief that lacked conceit, Philip was always experimenting. His early, conventional novels gave place to neo-Joycean, somewhat Cubist, prose montages. For many years he was at work on a 10-volume verse epic, still largely and regrettably unpublished. His unusual, if unsystematic learning and sophisticated insights never quite overcame a schoolboyish love of crazes, disguises, mischief.

Jessica Mitford quotes him:

> I've always wanted to be a great writer and a good man, and I've nearly always believed that the second is more important than the first.

That *nearly* reveals his wry honesty, rueful humour, perhaps his final achievement: as nearly a great writer. His erratic quest lead him to found a rural commune dedicated to Tolstoyan work-ethics, described by Marina Warner as "a crash-pad for freaks," with young zealots, at any call to labour, swiftly disappearing to meditate.

This book shows him seeing life as a simple matter, starkly divided between Good and Evil to be mastered by direct action at any cost, too often at cost to others. Simultaneously, life was complex, through human flaws and fissures, so marked in himself.

Of Jessica Mitford's books, Philip teasingly complained of lack of attention to himself. He could scarcely do so of this one, not a formal biography but a mass of recollections with commonsense speculations. The author is well qualified, having known her subject from pre-war days, and with full access to his family, friends, journals. In a relationship that was affectionate, serious, yet jokey, she knew his outsize virtues and grievous faults.

Predictably, she includes splendid stories, diverting, alarming, outrageous, sometimes discreditable. He himself once said that the only review worth getting would be "This is the best book ever written," which he never achieved, though a critic of his *Tea with Mrs Goodman* thought that English prose would never be the same again. *Faces* will not achieve Philip's exacting demand, but, like himself, it is funny, unsentimental, unpompous, moving.

Philip Toynbee adopts a Goya-like stance—from the book reviewed today

Fiction

Enigma of a faded mansion

BY MARTIN SEYMOUR-SMITH

A Stolen Past
by John Knowles. Constable.
£7.95. 242 pages

Mysteries of Winterthurn
by Joyce Carol Oates. Jonathan Cape. £9.95. 483 pages

First Among Equals
by Jeffrey Archer. Hodder and Stoughton. £8.95. 446 pages

Morning Star
by Simon Raven. Blond and Briggs £8.95. 216 pages

A Trick of the Light
by Sebastian Faulks. The Bodley Head. £7.95. 204 pages

There'll Always be an England
by David Pinner. Anthony Blood. £8.95. 368 pages

John Knowles is an American writer who published, at the end of the 1950s, a novel that has become almost a classic of adolescence: *A Separate Peace*. Since then he has published more novels, but none has attracted the attention as this one did.

A Stolen Past covers the same kind of ground, since its twenty-one-year-old protagonist (and narrator) is essentially adolescent. The author tells us that the three main characters in the book are all based on friends of his, now dead, but that they each took on a fictional life of their own.

The book, set at Yale University and at a faded mansion on the Hudson River belonging to white Russian exiles, is a highly gracious and artificial one, owing much to the neo-genteel tradition established by Louis Auchincloss and to the narrative methods of the late John O'Hara. But it is very intelligent and informed, particularly in its portrayal of a famous novelist who represents a god-like figure to the narrator. The whole is embedded in a framework of grand rhetoric, is very readable, and perhaps very wise —but one wonders whether it could possibly happen now.

Joyce Carol Oates is one of the most prolific of modern American novelists—one of the heirs of the tradition of Thomas Wolfe, who poured everything out in huge undisciplined passionate chunks which then had to be cut and organised by his sympathetic publisher. Oates has gone one better than Wolfe: she has incorporated the sympathetic publisher's editor into herself, by the employment of pastiche. Her work has something of the same compulsion as Wolfe's. *Mysteries of Winterthurn* is relentless Gothic. It has been said that previously Oates has used Victorian rhetoric to her own ends: this may be. In the present immensely long book she seems to want to do no more than present us with a new Victorian whodunnit. It is a very adept piece of pastiche, but one wonders if it has been worth it. There are hundreds of not yet reprinted crime romances of the period which would have done the trick quite as well. The nuggets of irony are well worth rescuing—but for a newer, more lucid, briefer book.

Jeffrey Archer's new offering, *First Among Equals*, tells the story of four high-flying MPs who first come to the Commons in the early 1960s, each determined to become Prime Minister. It was the book Archer was, his publishers assure us, "born to write." Indeed; especially as he is now unlikely to become Prime Minister. It is, to my mind, great fun. Although it is candy-floss (as its author well knows), it possesses a roguish and extremely well-informed and realistic slant on the unsalubrious side of political life. And the claim that Archer is a good storyteller is not at all without foundation. If we are to have popular fiction at all, and we evidently are, then much more of it should be like this. It has its own built-in shrewdness, and is by no means without real feeling.

Morning Star is the first of Simon Raven's new saga, *The First Born of Egypt*. Some of the characters from *Alms for Oblivion* are present to bless it, so to say. The first volume suggests that the new work will be a blend of Dornford Yates, Sax Rohmer, Bram Stoker and the early Simon Raven. There is also a touch of Dennis Wheatley. The dialogue is facetious and irritating beyond words, and the whole is somewhat disconcerting from a writer once serious. But it all reads very easily, and is inventive in a mechanical sort of way.

A Trick of the Light is a curiously muffled, at times brilliant, first novel about politics and various literary explorations of revolutionary enthusiasm. George Grillet, a young Catholic recovering from a love affair, is plunged into an adventure in which he is used (and deceived) in the interests of revolution. The author does not allow us to know if he is sympathetic to the "superhuman manipulator" of the entire adventure or not: probably he is not, and that this voice is female is rather unpleasant and unconvincing—women don't think in that way, even if Faulks believes that he has suffered from them. But as a kind of action-commentary on the political novels of Camus, Conrad, Greene and others it is a promising first (though I do not think Orwell "hated" Jews). The device of exploring one's ideas in the guise of representing them as the interior dialogue of an omniscient female nihilist is a weak one; but if the author discovers what he thinks and feels in this dubious age then he may write an interesting novel.

There'll Always Be an England is a piece of propaganda for the Alliance Party disguised as politico-literary entertainment. Like much in favour of this Party, or rather alliance, it may be of dubious value to it. David Pinner's narrative, about the power-struggle between a left-wing and a right-wing Labour man, is stereotyped: it represents the England of the yellow Press rather the real England.

The people whose politics the author dislikes are dreadful people, those whose vague "moderate" (but what is moderate?) policies he thinks he likes are fallible but "all too human." This is a book about abstractions, not facts, and its lack of psychological insight and withdrawal of sympathy will lead to no good at all.

The American scholarly journal, *The Hudson Review*, has chosen Anthony Powell as recipient of the 1984 Bennett Award "in recognition of his distinguished achievement in the art of the novel." Mr Powell will attend the formal presentation of the $15,000 Award at a luncheon on October 25, 1984, at the U.S. Embassy in London.

People who surround the Pope

BY JAMES BUXTON

In God's Name
by David Yallop Jonathan Cape.
£9.95. 334 pages

When this book was published a few weeks ago, its extraordinarily grave allegation, that Pope John Paul I, the gentle Italian who in 1978 reigned only 33 days, was murdered, received such wide publicity that many people who have never looked into the matter have come to believe the allegation may be true.

Yet in more than 300 pages the author, David Yallop, presents not a shred of firm evidence *to support* it. Rather than try to convince the reader by the care and detachment with which he builds his case, he seethes with prejudices, sees every issue and every person in either black or white, and casually blends established fact, hearsay and supposition. Since virtually nothing in this book, however innocuous, is directly attributed to anyone, and since it contains unaccountable little mistakes and illogicalities, one ends up not taking the author's word for anything.

The allegation, which is not a new one, incidentally, rests on two pillars. One is that the death of Pope Albino Luciani, who was 65, was surrounded by curious circumstances—a man with an apparently good health-record died suddenly in his bed; no autopsy was carried out to establish the cause; embalmers were rushed to work almost as soon as the body was found, and the Vatican put out conflicting versions of what had happened.

The other pillar is that a variety of people could have had a strong motive for wanting the new Pope out of the way. Before becoming Pope he had already shown concern at the Vatican's financial practices, especially those of the American Archbishop Paul Marcinkus, chairman of the Vatican Bank. *We are told* that he was determined to remove men with questionable reputations from senior positions in the Church, and was also intent on reversing the condemnation of birth control of his predecessor Pope Paul VI.

David Yallop's six suspects are Cardinal Villot, the French-born secretary of state, a sick man who he says feared replacement and wanted to keep things the way they were; Cardinal Cody of Chicago, anxious about dismissal because of his nefarious practices there and a quartet consisting of Archbishop Marcinkus, Roberto Calvi, head of Banco Ambrosiano (who died in London when his bank crashed in 1982), Licio Gelli, venerable master of the sinister P2 Masonic Lodge and Michele Sindona, the jailed Italian swindler.

No one is in any doubt that all four were engaged in schemes in which the Vatican was, at best, an unwilling intermediary in financing many a questionable or downright fraudulent operation. Yet at no point does David Yallop present evidence that they even *thought* of killing the Pope. It seems highly unlikely that, however "steely" a person Pope John Paul I was, he could in 33 days have assembled all the proof he needed to justify sacking the alleged wrongdoers, to such a way as to root out all the evil connected with them.

This is not to deny that there are oddities about the circumstances of Pope John Paul I's death, including discrepancies over when the Pope was found dead and at what time he died. But there is not much that cannot be accounted for by panic when the Pope's entourage was confronted by an extraordinary situation, and by the Vatican's crippling lack of straightforwardness in dealing with the outside world. In the light of that factor one can see how the Vatican convinced itself that to have carried out an autopsy—something never before done on a Pope—would have aroused more suspicions than it laid to rest, and would have been challenged anyway.

But it is no bad thing that David Yallop should have spotlighted, however carelessly, the extent of the Vatican's involvement with corrupt men who were breaking the law of the Republic that surrounds the Holy See, a situation that Pope John Paul's Polish successor apparently did nothing to alter. The price of his negligence has been financial catastrophe—the payment last month of 240m to the creditors of Banco Ambrosiano on an ex-gratia basis, and the possibility of court proceedings against Archbishop Marcinkus who remains in office.

How Banco Ambrosiano and the Vatican Bank became locked in a swindle that led to the bank's crashing with debts of 1.3bn is well told in two recent books both of which are now available in paperback. *God's Banker* by Rupert Cornwell, former Rome Correspondent of the Financial Times, from Unwin Paperbacks, and *The Calvi Affair* by Larry Gurwin, from Pan, both are at £2.95. They are essential reading for anyone who wants to understand the riddle of how Calvi died under Blackfriars Bridge.

BOOKS OF THE MONTH

The International Who's Who 1984-85
This major work of reference provides biographies of nearly 17,000 of the world's leading men and women in virtually every sphere of human activity. Over 1,000 new entries this year
Europa Publications £50 (UK)
18 Bedford Square
London WC1E 3JN

Clandestine employment: The situation in the industrialised market economy countries
by Raffaele de Grazia
Defines current situation and examines employers and workers engaged in clandestine employment. Discusses causes, positive and negative features, and outlines measures taken in some countries and results obtained.
ISBN 92-2-103355-4 £5.00
International Labour Office
96/98 Marsham Street
London SW1P 4LY

The reduction of working time: Scope and implications in industrialised market economy countries
by Rolande Cuvillier
Could reducing working hours help resolve unemployment? Outlining arguments from before the Second World War, the author discusses this and shows how complex the problem is and its numerous implications.
ISBN 92-2-102702-3 (limp) £7.15
ISBN 92-2-103817-3 (hard) £10.00
International Labour Office
96/98 Marsham Street
London SW1P 4LY

Statistical sources and methods: Volume 1—Consumer Price Indices
Presents methodological descriptions of characteristics of national series of consumer price indices for enhancing usefulness for different purposes, and for comparing national series. Structured in order to facilitate international comparisons.
ISBN 92-2-103774-6 £9.25
International Labour Office
96/98 Marsham Street
London SW1P 4LY

Managing and developing new forms of work organisation
by E Thorsrud, R. Lindholm, G Kanawaty, S. Pyki, N. Qa. Edited by George Kanawaty
2nd edition, 2nd impression 1984
Intended for managers, consultants and trade unionists, this volume provides practical guidelines for developing and introducing new forms of work organisation in enterprises.
ISBN 92-2-102707-4 £7.15
International Labour Office
96/98 Marsham Street
London SW1P 4LY

Bibliography of published research of the World Employment Programme
5th edition, 1984
Presents information on research published up to December 1983 in the form of monographs, articles and World Employment Programme research working papers
ISBN 92-2-103833-5 £4.30
International Labour Office
96/98 Marsham Street
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The Role of the Consultant in Energy Management
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Important new publication: major companies and leading consultants explain how to make best use of consultants to reduce energy costs. Government, universities, polytechnics and professional institutions all discuss their contribution.
ISBN 0950 7129 73 (1984)
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British Management Data Foundation
Selwyn House, Cleveland Row
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Managing for Excellence The Guide to Developing High Performance in Contemporary Organizations
by D. L. Bradford, Stanford University and A. R. Cohen, Babson College
This is an action-oriented text showing middle managers how to create conditions which will make a unit or organisation an excellent performer. It examines why people perform at levels far below their capabilities and how to get the best from those people. It also shows middle managers how to tie their own interests to the needs of the department and how to translate strategies into action
"... an important and useful book, which goes beyond jargon and buzz-words to describe an attainable role for the effective modern manager ..." The Wall Street Journal
0471 87176 1 318pp Jan 84
£18.70/$25.20
John Wiley & Sons
Baffins Lane, Chichester
Sussex PO19 1UD

World Banking Handbook
by Vicente Muro
This describes the services and international and local networks of the top 100 European, American, Asian and Arab banks, as well as the banking systems of rich countries. Brochure available
$58/£41 incl. postage
Business Guides, Inc
Box 216, 3610 W. 6th Street
Los Angeles, CA 90020, USA

Antique crime

BY WILLIAM WEAVER

A Corpse in a Gilded Cage by Robert Barnard. Collins, £6.95, 211 pages.

Mr Barnard is always good with noble eccentricity (cf his hilarious *Sheer Torture*); and this is a fanciful variation on his frequent theme. Some sudden deaths bring an earldom — and the glorious pile, Chetton Hall — to Percy Spender, of Clapham. Earl, Countess, and family move into the splendid Jacobean building; and murder moves right in with them. The smart throw-away lines, the sharp character vignettes, the ironic asides do not obstruct the unfolding of a well-made, plausible story.

Smoke Detector by Eric Wright. Collins, £6.95. 186 pages

Last year Eric Wright made a promising début with *The Night the Gods Smiled*, introducing the likable, fallible, human Inspector Charlie Salter. Deliberately choosing a hackneyed setting (the University world), Wright wrote a convincing and original book. This time, the setting is equally worked over, but the second performance of Charlie Salter is as good as the first.

Back to Beirut

BY NICHOLAS BEST

A Parish of Rich Women
by James Buchan. Hamish Hamilton, £8.95, 185 pages

Long after they are dead, children hit by phosphorous shells go on burning inside, an effect that can easily be verified by pinching their nostrils. In the Lebanon, where a fire fight between one or other of the warring factions is an everyday occurrence, children are hit by phosphorous fairly often.

To Adam Murray, journalist hero of James Buchan's disturbing first novel *A Parish of Rich Women*, the Lebanon is nonetheless a place of immense attraction, infinitely more compelling in its anarchy and chaos than the cold grey orderliness of London. He is in London to write a book, but his heart and mind are still in Beirut. The Israelis are about to invade, his Oxford friend Johnny Penrose—now a uniformed Palestinian—has not been heard of for weeks. He knows that he must go back.

There is little, in any case, to keep him in London. His girlfriend is high on heroin and unfaithful with it. Another friend from Oxford has killed himself on a motor-bike after being caught stealing from Harrods' food halls. Adam turns his back on the empty world of drugs and house-parties, on the parish of rich women, and returns instead to the world he likes best.

He braves the crossing into Beirut at the Museum. The Israelis have invaded and the war is on the streets. Johnny is wounded, others are killed. Neuro-surgeon Kate performs miracles without equipment.

Like Hemingway before him, James Buchan is fascinated by human strife. His novel gets off to an uncertain start, but picks up immeasurebly with the hero's arrival in Beirut. Although not an autobiography, it is certainly based on first-hand experience—the author is himself a journalist as readers will know and spent four years as a reporter in the Middle East. His account of a city at war, yet forced to continue with everyday life, is reminiscent at its best of Graham Greene's *The Quiet American*.

HOW TO SPEND IT

by Lucia van der Post

COOKERY

Alternative cooking

BY JULIE HAMILTON

RENOVATING the kitchen may sound an irresistible idea but with a family to feed, as I've found out recently, it's no laughing matter. The children might be happy with an endless supply of fish and chips but their father is not so easily pleased. At a time like this, with most of the contents of my kitchen packed in cardboard boxes around me, I realised I would have to learn to improvise.

As I was to be without a kitchen for an unknown period of time I assembled the following equipment: two barbecues (one being the Living Flair*, a new modular barbecue that can be added to when you wish by buying kits one or two, thus creating a large covered barbecue from a small, handy tabletop model. A rotating spit is also available for £11.50); one chopping board and a marvellous set of knives from Tho Kitchen Devils Professional range; some of my Stent terracotta ware which is quite amazing, it can even be used well bedded into the hot charcoals of my barbecue (recipes later); and finally, because my family regularly ask the menacing "What's for pudding?", my Gelato Chef ice cream maker** which I would hate tn be withnnt. I even had it plugged in and working in a bedroom which was, at one point, the only clean room with electricity.

I managed to find the salt, pepper, oil and vinegar but none of the berbs and spices, except a peppermill in which I keep cumin and coriander seeds for grinding. Luckily my garden is full of wonderful young fresh herbs at their very best just now, and that has been most helpful.

There are two suggestions I can offer to anyone finding themselves in a similar situation, or even on holiday and not really wanting to cook too much. 1—Almost any disb is good eaten cold, so cook ton much and then slightly alter the seasoning before serving it cold tbe next day. For example add a little wine, vinegar, cider nr lemon juice to a sance and thin it; dress cold pasta with olive oil or yoghurt and mix in some finely chopped raw salad vegetables, onions, radishes, cbicory, peppers, cold cooked potatoes.

2—Experiment with raw vegetables—there are very few vegetables that cannot be eaten raw. The heart of any cabbage, finely shredded, sprinkled with a little salt, fresh or dried dill and doused in a mixture of two thirds wine vinegar to one third boiling water with a little sugar. Leave to stand for half an hour nr longer. Make a selection of sauces, mayonnaise based and tomato based and serve them with raw courgettes, mushrooms, very young French beans, cauliflower, finely sliced young turnips, or kohl rabi, sugar peas and young broad beans (compnlsive eating for me).

In my fridge when the old kitchen "disappeared" was a beautiful fresh chicken that needed immediate attention but I could not cook it for several days (it took a while to achieve some semblance of nrder) and I did not want to freeze it. So I salted it, rubbed herb and lemon in it and 10 days later we enjoyed it barbecued for Sunday lunch.

THYME SALTED BARBECUED CHICKEN
Serves 4 to 6

1 chicken (weight unimportant): several handfuls of salt (couldn't find my scales!); a palmful of nil; lots of fresh thyme; the juice of 1 or 2 lemons.

For the stuffing: 1 large onion chopped coarsely; a bunch of fresh thyme and lemon thyme very finely chopped; finely chopped or grated rind of half a lemon.

For the barbecue you will need lots more thyme soaked in water. If you do not have an abundance of thyme any herb could be used. Alternatively, try a little foil disb full of water, with herbs in it, placed in the barbecuo during cooking and regularly topped up.

Wash the chicken throughly, forget about the giblets for this recipe, and rub it inside and nut with lots of salt. Chop some thyme and crush it with salt and rub it all over the chicken. Stuff the cavity with a bunch of whole thyme.

Refrigerate uncovered. Next day squeeze the lemons and pour the juice over the chicken, rub it inside and out thoroughly, add more salt, massage it well in and replace in the refrigerator. Rub and turn bird daily, or at least every two days. On the ninth day rub a palmful of oil all over and do a really good massage job.

To cook on the 10th day: rinse the bird under the cold tap and stuff it with the onion coarsely chopped and mixed with the thyme and lemon rind. Stuff both ends, then tie up the bird so that the legs and wings are really tight against the body and both ends secured so that the stuffing will not escape during spit harbecueing.

Leave to stand like this at cool *room temperature* for one hour or, better still, two. Make a really hot barbecue and have ready either large quantities of thyme soaked in water or a small foil dish full of water and a bunch of thyme. Secure the bird on the spit, making sure the weight is evenly distributed, and put over the fire to rotate continuously. As soon as it is sealed and beginning to brown, place quantities of wet thyme directly under it, baving first moved most of the coals to aroimd the edges of the fire bowl.

Keep putting on more wet thyme as it dries up and burns. This gives rise to both steam and beavily scented smoke, finally resulting in an incredibly moist and succulent chicken after approximately one bour. If you are using the foil dish method, keep it topped up with water and fresh herbs.

Here is another chicken dish which, cooked on a barbecue which makes a complete meal and needs *only* hot Frencb bread to accompany it.

VEGETABLE STUFFED AND BARBECUED CHICKEN
(serves 4)

1 chicken approximate 3½ lbs; 1 courgette: 1 bunch good size spring onions; 1 red pepper; ¼ a small cabbage (any variety you like, I used the *Dutch* white); 6 oz fresh firm mushrooms; 6 thick rashers bacon; salt, pepper and whatever fresh herb you have or fancy (I love marjoram).

Using a good sharp knife, chop all tho vegetables into short strips about twice tho thickness of matchsticks and roughly the same length. Place in a bowl, lightly sprinkle with salt and completely cover with boiling water. Leave to stand long enough to soften tho vegetablea and cool sufficiently to enable you to bandle them. Put your hand into the neck cavity of tho chicken and, with your fingers, loosen the skin covering the breast as much as you can without tearing it.

Stuff the chicken under the loosened skin, filling the neck end completely with tho vegetables, then fill tho body cavity. The bird should be packed tight in every possible way with tho vegetables. Sew up any rents or holes, wrap the bacon all over and thoroughly secure with string, making a compact parcel. Brush with lemon juice and oil mixed and spit roast, rotating continuously over hot coals for approximately one and half hours.

To serve, use poultry shears to cut the chicken into four portions. It will look most attractive and be an ample meal either hot or cold. Of course, the stuffed bird could be cooked in a moderately hot oven, standing on a rack in tho roasting tin with plenty of water flavoured with herbs in the base nf the tin. Cooking time would be approximately the same.

Now for the two recipes to cook in a Stent terracotta ware pot bedded in the hot coals of a barbecue or any fire.

FRESH FRENCH BEAN CASSEROLE
serves 4 to 6

1½ lbs lean mince; 1 teaspoon salt; sprigs of lemon thyme; sage; parsley and chives; 5 tablespoons oil; 1 large can (800 g) tomatoes; 1 heaped tablespoon tomato purée; 1 lb French beans; small bunch marjoram; salt and pepper; 2 or 3 tablespoons dry cider to moisten if necessary.

Using a chopping board and suitable sharp knife, cbop the herbs, excluding the marjoram, very finely. Mix them together with the salt. Knead the meat and add tho herbs, knead again thoroughly, then form into very tight balls, a little smaller than pinpong balls.

Put the oil in the pot and heat it in the fire. Add the meat balls one or two at a time, turning them to seal and lightly brown them all over, then add the tomatoes and tomato *puree*. Cook uncovered, stirring from time to time until the tomatoes have quite disintegrated and become a thickish sauce. Then add tbe French beans, marjoram, salt, pepper and cider if you need it. Cook until tbe beans are done to your liking. Serve with pasta shells.

CABBAGE POT
serves 4

1lb approx Dntch white cabbage; 1 medium size can tomatoes; 1 onion; 1½ lb mince; 1 or 2 large waxy type potatoes or 8 or so very small new ones; freshly ground cumin and coriander; 4 tablespoons red wine; 2 tablespoons vinegar; 1 teaspoon salt; 1 sprig rosemary.

Place the mince in a bowl and sprinkle the salt over, then grind lots and lots of coriander and cumin into it. Knead well and form small tight balls barely the size of walnuts. Heat the nil in a Stent terracotta casserole and seal the meat balls. Chop the onion coarsely and add it to the meat, stir and add the tomatoes. Cook until the tomatoes completely disintegrate.

Slice the cabbage into strips about thrice the thickness of matchsticks and roughly the same length, add them to tho pot along with the wine, vinegar and sprig of rosemary. When it comes to the boil add the potatoes, whole if new and small but cut into strips like the cabbage if large. Cook until the potatoes are done. Adjust seasoning with a pinch of sugar and salt and servo with hunks of bread.

The following recipes for ice creams can be made either with an ice cream maker or in the freezer or tho freezing compartment of a refrigerator. If using the latter method, remember to beat the ice cream at intervals during the freezing process.

AVOCADO AND LIME ICE CREAM

makes 6 to 8 good helpings
3 or 4 avocados (depending on *size*); *juice of 3 or 4 limes*; 2 egg whites; ½-lb sugar in 1 pint water boiled down to approx ¾-pint with the rind of tho limes in it; ½-pint cream.

Peel and stone the avocados and purée them with the lime juice, adding the cool lime-flavoured syrup. Very lightly whip the cream, whisk the ogg white until stiff but not dry and combine with the avocado mixture and freeze. You may like to add a drop of green food colouring if tbe avocados were not sufficiently deep green to colour the ice cream well.

MANGO AND ORANGE ICE CREAM

makes approx 6 helpings or more
2 fresh mangoes; 2 oranges; 2 heaped tablespoons icing sugar; juice of 1 lemon (optional); ½-pint cream; 2 egg whites

Peel and stone the mangoes and roughly chop the whole unpeeled oranges. Reduce the fruits to a pulp in a food processor or blender, adding the augar at the same time, then push through a sieve. Very slightly whip the cream and incorporate it into the fruit purée. Whisk the egg whites and thoroughly combine them with tbe fruit mixture. Freeze.

** The Living Flair moduler barbecue costs £15.50, Kit 1 £37.50 and Kit 2 £39.50, and is available from Harrods, Dickins & Jones, Fenwick in London; Tesco and Sainsbury Home Base nationwide.*
*** The Gelato Chef ice cream maker is £195, from Harrods and Divertimenti, in London; branches of Rockhams of Birmingham, Bradford, Leamington Spa, Frasers of Edinburgh, Glasgow and Aberdeen.*

The light way to travel


Trevor Humphries

TRAVELLING WELL, it seems to me, is one of the great arts and like most of the arts, there is no substitute for practice. Practice it is that made Debbie Moore perfect — perfect, that is, as a protagonist of what might be called the minimalist school of travelling. She it is, you may remember, who founded the Pineapple Dance Centre, now a busily expanding public company, and who is is photographed left completely ready to fly to New York where her latest Pineapple Dance Centre opened last week in Broadway.

She has pared her needs and her wardrobe down to bare essentials so that she and her soft, roll-up travelling bag go straight onto the plane. On arrival she is in a taxi and on her way before everybody else has even claimed their Samsonites.

She has worked out a beauty routine that requires very little maintenance—a perm and a cut which is so trouble free that all she then needs to do is to have a shower each morning and stick her head under it. She wears no make-up, except for eyeshadow and mascara.

Her wardrobe has been re*duced* to the same *sort* of basics as a man's.

Whether she is going to a business meeting or a party, the basics of her uniform are the same—her own range of Pineapple leotards and ski pants. She varies the colours, probably choosing black and white for evenings and lots of pale pastels or white for summer. She'll probably wear a plain leotard during the day, a lacey one for a party. She'll put on a T-shirt over a leotard for a more sporty look and a Pineapple dancer's sweater (these are "silky" boat necked sweaters in a range of lovely colours which can be worn off the shoulder and look very dressy) belted at the hip for evenings. Everything goes in the washing machine and nothing needs ironing.

In winter she puts cashmere and silk tights underneath everything else. She only wears three kinds of footwear — high heels for evenings, Charles Jourdan boots and jazz shoes or ghillies.

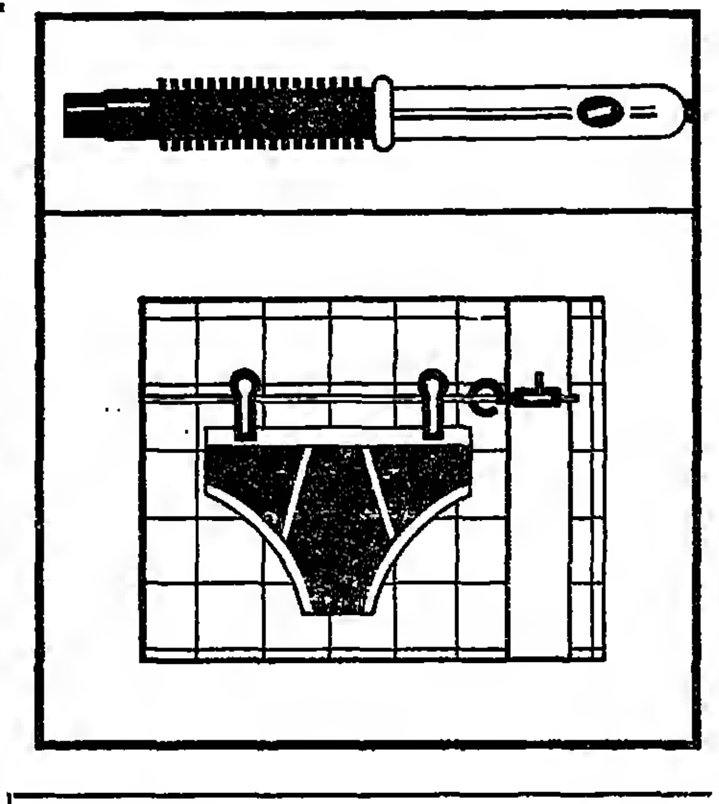
Because it's absolutely vital that she doesn't lose any time in New York, that she's on top form from the word go, she has evolved her own routine for the flight. "I drink only Evian water which I pack with me because the airlines don't stock it. I do eat though I'll avoid anything salty or rubbishy. I also take my shoes and socks off, put brown paper bags on my feet and then put my shoes and socks on again. Everybody thinks this is frightfully eccentric but my Indian homeopathic doctor told me to do it and I have found that whereas before my feet used to swell, now they never do. I travel during the day—I prefer to lose five hours of waking time rather than of sleeping time."

All this is splendid advice for those who can muster the requisite discipline, who are natural organisers—in short for the sort of person who can take companies from small beginnings to listings on the USM. Those who are made of less stern stuff, who have a more natural empathy with what could be called the Baroque school of travelling, might find the temperamental adjustment more than could be managed.

Some of us need our gadgets and our extras, our curling tongs and our pretty dresses, so this week and next this page features a few items that will make your baggage a bit heavier but your stay a little easier.

NOWADAYS it is easier than ever to find appliances to help keep one's bair in shape when travelling. If you are going so far off the beaten track that there is no electricity at all, then the Braun curling tongs or styling wand is what you need—both are filled with gas (from little canisters that cost abont £1 a refill) and then operate quite independently from any power source.

If you know there will be electricity of some sort, then there are several makes of curling tongs and styling wands around—sketched top *right* is Boot's own version, a steam styling brush. It is 10 ins long, slim and very light indeed and is described as multi-voltage, which means it should work anywhere in the world. Find it in major Boots branches at £7.95.



Keeping clothes in reasonable order is another of the hazards to face the traveller, whether the business executive who just wants to wash bis shirt or underpants overnight or the bolidaymaker who might be faced with several loads of less than pristine garments.

Travel Wash is liquid detergent in a tube and it is infinitely easier to pack and to use than coping with the conventional powdered varities—by Dylon, a tube costs under £1 and will last through most normal holidays. A clothes line may not seem the most jolly of boliday buys but this compact elasticated line needs no separate pegs (six are incorporated on the line) and make s it a mattor of moments to bang out those dripping bathing costumes or newly washed shirts £4.99 from Selfridges of Oxford Street, London W1 (p+p 75p).

Drawings by Pauline Rosenthal

TOP of the list for those going on the sort of journey that involves emerging looking immaculate is probably a travelling iron. There is quite a selection to choose from and probably in the end it boils down to personal preference. Our experiments have found that the very lightest irons of all don't give very good results, there seemed to be not enough weight to make much impression on creases, but if weight is your major criterion, then the lightest of all is the Morphy Richards 41300, weighing in at just 1 lb 2 oz (plus plug). Next comes the Sisan steam iron which is just 1½ oz more (again plus its plug)—it works by steam alone and can be used vertically to steam creases out of hanging skirts or shirts.

Sketched above is the Rowenta which seems to us to be a good middle choice—it weighs just under 2 lbs, is multi-voltage (which means it adjusts to any voltage automatically, unlike dual voltage models which you have to switch manually) and when folded measures 3½ in high by 9 in long by 4½ in wide. It is available from most electrical *departments and* good stores for about £12.50.

Not a thing of great beauty, but immensely slim and compact (2½ ins by 2 ins) is the Loris Quartz travelling alarm clock, sketched above. It has a very clear face, comes in cream or burgundy and has a snooze button (i.e. if you snooze after the alarm, it comes on again after about two minutes.) Find it in most branches of Boots, £9.95.

If you want the sort of clothes that you can just roll up and pack and that emerge looking ready-to-wear, then pure cotton jersey is one of the best fabrics to look out for. Paddy Campbell, of 8 Gees Court, St Christopher's Place, London W1 (and 17 Beauchamp Place, London SW3) has a whole range of her own designs made up in a stylised flower print cotton jersey—in navy and white, pale blue and white, fuschia and white, there is a sundress (£49), a fashionably long, lean skirt (£39), with a matching long, lowline sash-tied top (£39.50, shown sketched above right). Also in the range is a jacket (£39.50), a T-shirt (£27.50) and two dresses—one with a drop waist (£65), one with a Peter Pan collar (£59). All can be posted, for an extra £1.50 on the first item and an extra 50p for additional items.

ARTS

Stars on Sunday

RADIO
B. A. YOUNG

Radio 4's Sunday-morning *Colour Supplement* is scrupulously copied from the Sunday papers. Sarah Kennedy, the presenter, has all the charm she showed in *60 Minutes*, and likes to keep herself audible throughout each item, to show how much of the programme is live. For those who stayed with other channels, the items were these: Sunday Beef, Private Lives (Cyril Smith, MP, at home), a news diary in rhymed tetrameters by Roger Woddis of Punch and the Radio Times, International Exchange (trivia from New York at 7 am and Sydney at 9 pm), Jessica Mitford on the year she has most enjoyed, a discussion by two clever women on positive discrimination, a news commentary by Martin Wainwright, a brief film chat, an essay on stockbrokers' lives by Nigel Farrell, and a Right to Reply, exercised this week by Francis Pym. (Messrs Scargill and MacGregor were coming up on the next programme.)

Jessica Mitford showed herself a star broadcaster in her memories of running away to the Spanish Civil War with Esmond Romilly. Pam Gems and Bel Mooney offered interestingly contrasted views on feminism. Roger Woddis sustained his place as our best current writer of light topical verse, though I suspect he did it in a hurry. The rest was hardly worth sacrificing a fine Sunday morning for.

Norman Painting (whom we had just heard as Phil Archer) beefed about "talking posh," but sniping at other people's speech is one of the commonest and most boring English middle-class obsessions, so there wasn't much in that, especially as his standards were so dubious. Cyril Smith at home, flanked by his mother and his brother, was no more interesting than any other 50-year-old Lancastrian, however invigorating he may be in the House. The jokes about stockbrokers have been around for some time, though Mr Farrell was lively enough, and gave an opening for another poet, Francis Kinsman, one of the two writers ever to have published verses in the FT.

At the recent Voice of the Listener meeting, a complainant about the low standard of humour on Radio 4 was reassured by the Controller that items initially unpopular grow more popular when you keep them on for a bit. *The Colour Supplement* is billed as a series, so there is hope yet.

The Radio Times's promise that we should "catch up on some of the serious issues of the week" was hardly fulfilled. *That Was the Week that Was* (whose theme song was used to frame Mr Woddis) used to be more serious than this. Come back, Ned Sherrin, all is forgiven.

Radio 3 does better for its short programmes when it visits the classics than when it uses new funnies. The three extracts from Isaak Walton's biographical writing have made first-class 20-minute breaks in mid-evening. The first was about John Donne (played by Edward Woodward); the second about George Herbert (Christopher Scoular); the third about Sir Henry Wotton (Gordon Reid). John Moffatt read Walton's words with an exemplary lack of intrusive emotion, and James Kerry popped up now and then as James I. Director, Christopher Venning.

Two new Sunday serials on Radio 4—Allan Prior's *The Big March*, which I was unable to hear the first part of, and a repetition of Waugh's *Sword of Honour*, which I will write more about when it's deeper into its 11 parts.

Back to Giles Cooper, and not for the last time, for next week we have *Mothry Beocor*, his best-known play. After that I promise to enjoy him on my own. This week we had one characteristic piece, *The Object*, on Radio 3, and one uncharacteristic, *Carried by Storm*, on Radio 4. What makes The *Object* peculiarly characteristic is the build-up of a weird story with no idea of a finish. A pig-ignorant couple (Miriam Margolyes and Christopher Ettridge) find a space-capsule in their yard with a flask in it containing a human embryo.

Carried by Storm is a wonderful documentary account of the capture by Wellington of Badajoz, ranging from the Duke's staff conferences to the experiences of the private men ("the scum of the earth," as the Duke anachronistically calls them), and closing in on the fate of an English and a French soldier who seek refuge together in a Spanish house. They are played by Michael Jenner and John Bull (who sings French popular songs splendidly), and their end is heart-breaking. Fine direction by Ian Cotterell. You can hear it tomorrow at 2.30, and I can't recommend it too highly.

Cinema/Nigel Andrews

The price of precociousness

Over The Edge (18) Screen on the Green and Cinecenta.
Beat Street (PG) Leicester Square Theatre.
What Makes David Run? Gate Notting Hill.
Firestarter (15) Plaza.

The best film of the week is five years old. *Over The Edge* is a strident, overheated, tendentious melodrama directed by Jonathan Kaplan, late of *Heart Like A Wheel*. But it's also one one of those films that lasso our wonder at their vitality and at their pop-up truths of place and character even while they fail to corral our credit or credence for their message.

Teenage vandalism is the theme, as we are plonked down in Texas in one of those ultra-planned new towns where the planning has gone horribly wrong. Main problem: there is no bowling alley or drive-in cinema for the children; nor any other amusement centre, beyond a humble corrugated shack with pool and ping-pong tables, to keep the youngsters off the streets. So when our two mid-teen heroes (Michael Glaser and Matt Dillon) start lobbying for such a sensible investment by vocalising their discontent—they mouth off at their friendly neighbourhood policeman (Harry Northup), they plant fireworks inside a visiting VIP's car and they skirmish obstreperously with drugs and guns and knives—the grown-ups start to take note. But is it too late? Will all end in bloodshed? And if so, who will be the bloodier, parents or offspring?

The excitable illogic of this film, which does indeed end with a teenybopper *walpurgisnacht* as a hundred kids armed with everything from shotguns to sledgehammers surround the parents who are deep in conference in the High School "Cafetorium," is wondrous to behold. According to the strict letter of its argument—that lacked of planned amusements causes teenage violence—cities like New York or LA, *where* amusement centres are as plentiful as sands on the sea-shore, would be havens of peace and good will. But we know, of course, the contrary. Walk past any discotheque, video arcade or playground in these cities, if you're a grown-up, and *you're* as likely to be slugged or mugged by the local teensters as thanked by them for your municipal forethought.

But the film's flip-side triumph is that Kaplan gets the human details of his story right even when he gets the moralising overall picture wrong. *There* is superb rough comedy in his portrait of children as mini-grownups already raring to emerge from their grow-bags.

Drew Barrymore in "Firestarter"

The vernacular is sometimes Cagney-Gothic—"A kid who tells on another kid is a dead kid"—and sometimes Wall Street-pontifical: "With inflation and *the dollar dropping*, it's getting pretty heavy," says a 14-year-old drug pusher. And there is superb comedy and observation in the converse portrait of parents as overgrown children capable of frets, furies and "tears before bed-time" if Junior doesn't come home by midnight or gets in trouble with the police.

The photography by Andrew Davis is racily garish and the script, by Charlie Haas and Tim Hunter, is vivid to match. If we had seen this film new five years ago we would have said, Hooray for Kaplan's energy and talent, now all he needs is to expend them on a worthier yarn with a more tenable thesis. Of course he found both, resplendently, in *Heart Like A Wheel*, thus saving us all the trouble of being wise before the event.

*

When "breakdancing" comes to *Aïda*, as it did in all but name at Covent Garden last month, with handstanding and somersaulting kiddywinks replacing the *corps de ballet*, we know it must be here to stay. But at present the new dance phenomenon, for all its colonising energy, is an *eclat* without a context. The cinema can't seem to accommodate it any better than Verdi can. *Beat Street* powers a gaggle of characters in the Bronx through token crises of love and sex, hope and heartache, success and aspiration. But it only comes to life when the dances erupt: with their spinning-top bodies, robot eurthythmics and legs kicking and knitting akimbo.

Breakdancing is marvellous to witness, like co-ordinated epilepsy. But at present Hollywood has totally lost the knack to embroider good set-piece musical numbers into a whole narrative. (The pop video, with its whirlwind brevity, is probably today's only successful musical form.) There are sensational routines here from Robert Taylor, a bright-eyed Puerto Rican with haymaking legs and a corkscrew waist, and from a host of supporting virtuosi who can pin their spines to the floor, reef-knot their legs and gyrate like nobody's business. But as for the rest of the film, with its patch-up plot and paper characters, I kept waiting for it either to begin or to go away altogether.

*

A breakdancing interlude or two might well help to redeem *What Makes David Run?* As wacky French sentimental comedies go, this one dies on its feet. Francis Huster plays the aspiring young film-maker who burns the candle at both ends trying to perfect his first, autobiographical movie script. What he should do, in my opinion, is burn his script at both ends. Barrelling in and out of eyeshot are his nearest and dearest, swiftly to be processed into resistible celluloid (the imagined film-within-a-film is excerpted within the film), including girl friend Nicole Garcia, parents Charles Aznavour and Magali Noel and ex-mistress Anouk Aimée.

Miss Aimée swans in, dressed as ever deep in furs as if for *Anouk of the North*, and the other luminaries perform their star turns—Aznavour soulful and Chaplinesque, Noel Latin and voluptuous—while the film skids about inchoately between past and present, mirth and mawkishness, colour and monochrome. There is much Leloucherie here, and also much would-be Fellini-ism. Aimée and Noel both did sterling service in Fellini's movies of old, whose tragical-comical hall-of-mirrors memory systems clearly helped inspire M Chouraqui. But this film, flippant, fey and undernourished, isn't 8½, it's more like 1½.

*

Firestarter is this week's Stephen King adaptation. From forth the furnaces of SK's unstoppable imagination comes the tale of Charlie (Drew Barrymore), a golden-curled moppet (female) who can set fire to things and people simply by blazing her eyes at them. This walking eight-year-old solution to the world energy crisis is first coveted, then kidnapped, by "The Shop"—U.S. Department of Scientific Intelligence, led by villainous Martin Sheen and George C. Scott—while Charlie's also-kidnapped Dad, David Keith, attempts to muster his own telekinetic powers to defeat Uncle Sam.

As directed by Mark L. Lester, the film scores nine for Special Effects, one for plot suspense and human interest. Whenever someone starts giving an interesting performance, especially pigtailed Scott rasping away like a buccaneer with bronchitis, the flamethrowing starts up again and we swap personality and purpose for pyromania. Strictly, very strictly, for King addicts.

Going for gold

Six for Gold at the King's Head in Islington consists of six short plays divided over two nights. They are very slight plays indeed. Warner Brown, the author, has thought of little comic plots and sketched in the necessary characters, and the 40-minute pieces would be no more than summaries if he hadn't decided to illustrate them with songs.

Unhappily, the songs (music by Michael Reed) don't illustrate them. They just take thoughts and amplify them without adding anything. The lyrics, by Mr Brown, belong to the rhyming-dictionary school, where the rhymes seem to have been put in first and the other words added to fit the tunes. With so little in the stories, we need more wit in the songs.

The plays, very tenuously connected, are sentimental but little more. The first evening gives three episodes from the life of a girl reporter. She interviews (silently) a couple of variety players based on Old Mother Reilly. She goes to Katmandu doing public relations for a woman writer. And she writes a play about the writer, which a camp director makes into a sentimental musical. The second evening is set in America. A woman vaudeville player kids a Cardinal (who, as a layman, was her partner, and now is expecting to be elected Pope) that he is the father of her son. An engineering genius tries to persuade a woman racing motorist to jump off a building for publicity. While another building, built by that engineer, is burning down, his rocky marriage is saved.

The six-strong company is likeable. Rosemary Leach enjoys herself being different sorts of people—a simple girl variety feed, director of an aquatic vandeville, a successful businesswoman, with sundry intermediate personalities that aren't intended to have anything in common. Of the supporting players, I chiefly liked Susie Blake and Siân Tudor Owen in younger parts, but they all sing and, where necessary, dance, pretty well, though they can't make more than lightning dashes at the characters. The director is Tony Craven.

B. A. YOUNG

A bowl of cherries

Michael Pennington is playing Anton Chekhov in the Cottesloe to coincide with the National's imminent production of Chekhov's first unruly play, *Platonov* (which Michael Frayn is rechristening *Wild Honey*): Pennington's Chekhov is at death's door, reminiscing in fragile tones by the desk.

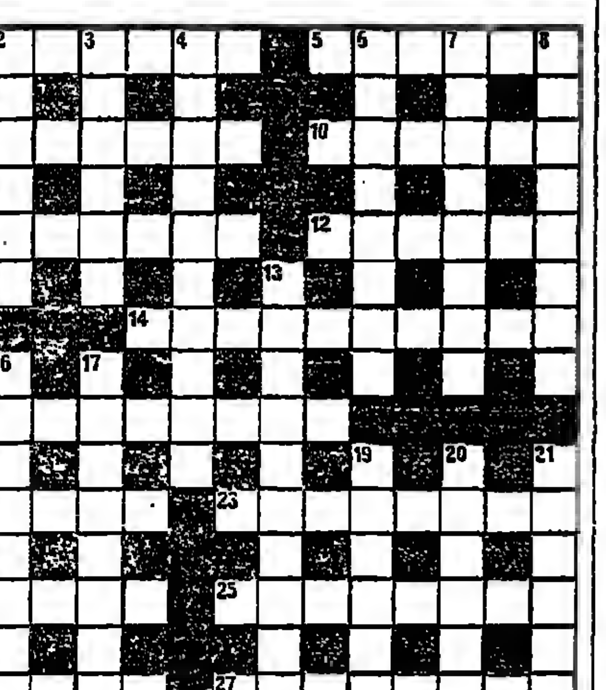
The furniture is covered with dust sheets, the books are packed in a trunk. The scene resembles the last act of *The Cherry Orchard* and Pennington nibbles at cherries throughout the evening, a habit which could have done nothing to improve his life-long affliction with diarrhoea and piles. He pads around the scrubbed floor with finical precision, his gait gait and demeanour suggestive of a palsied guardsman nervous of treading on snails. Squinting through pince-nez, sipping wine, and eliding his memories with excerpts from his own stories, Pennington manages to achieve what I would have thought to be impossible: Chekhov unmasked as a tedious, rambling old bore in just the sort of reverential piece ideal for a late-night slot on Channel 4.

Such is the price to be paid for the show's format, which does nothing whatever to stifle my aversion to one-man performances. The text, apart from the story excerpts, is derived mainly from the letters. The only friends we hear anything about are the loyal publisher, Suvorin, and the painter Levitan, whose landscape of haystacks in the moonlight stands by the desk. Olga Knipper is mentioned once: "My wife doesn't look after me—she's an actress." And there is a glimpse of the pragmatic environmental crusader Astrov, when Pennington falls upon some provincial maps and rages quietly against the lack of civic progress.

The whole idea of impersonating someone so elusive, self-effacing and modest as Chekhov seems to me ridiculous. No theory is offered as to why the writer suddenly broke the pattern of his life and visited the penal colony of Sakhalin in 1890, but this description of a brutal flogging, delivered in tasteful profile and dessiccated intonation, underlines the clinical accuracy characteristic of all his work. No place, ever, for exaggeration or rhetoric. Finally, a sip of that famous glass of champagne, a tubercular cough, and a splutter, and lights out.

MICHAEL COVENEY

F.T. CROSSWORD PUZZLE No. 5,459



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

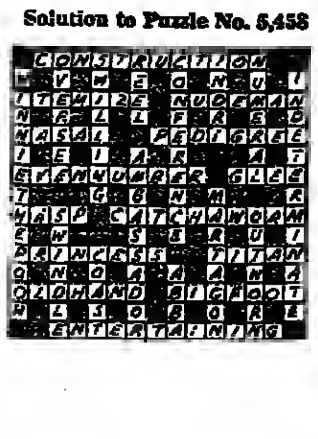
ACROSS

1 Artful one gave in without a sound (8)
5 It's supposed to be lucky when uncle goes back to bed! (6)
9 Before one gets into a temper to spoil the wedding (8)
10 Master upset group of children being educated (6)
11 They get very hot weather (8)
12 Tack causes sudden pain (6)
14 The maintenance men got bigger, taking in about 100 (6, 4)
18 One may set light to this material (10)
22 Reluctant French go back to Gaelic (6)
23 Can't Jade move, being close? (8)
24 Men put dishes outside the church (6)
25 One can't go up to bed in this! (8)
26 Dislike being badly tested (6)
27 Drew the King, and the others, in to a hut (8)

DOWN

1 The adder season? (6)
2 Fat Elizabeth has room for for food! (6)
3 Nose is broken, making such sounds (6)
4 Colour is unimportant, British Rail concede (5, 5)
6 A small officer has sex-appeal, due, strangely, to height! (8)
7 Being about soldiers, a true version (8)
8 Axe the cat that got a bird (8)
13 Dazed when taken down, die first (5-5)
15 Fought about piano being scratched (8)
16 Increase site rent, perhaps (8)
17 Bullies get improved results after a bad start (8)
19 Tommy's first great turn to get a goal (6)
20 Left Erica taking toast (6)
21 Set about getting married, being drunk! (6)

Solution to Puzzle No. 5,458

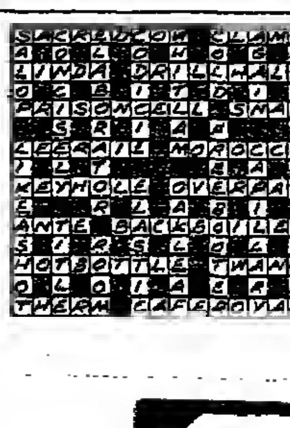


SOLUTION AND WINNERS OF PUZZLE NO. 5,454

Mrs B. E. Bragg, "Springfield," Cobbsm Way, East Horsley, Leatherhead, Surrey.

Mr Barry Roe, 73 Newton Lane, Wigston, Leicester.

Mr Michael Greener, 33 Glan Hafren, The Knap, Barry, South Glamorgan.



BBC 1

† Indicates programme in black and white

6.20-8.23 am Open University. 8.40 The Saturday Picture Show. †10.50 Saturday Morning Film: "Powdersmoke Range" starring Hoot Gibson. †12.00 "The New Adventures of Tarzan" starring Bruce Bennett. 12.57 pm Weather.
1.00 Grandstand—Wimbledon 84: Desmond Lynam introduces coverage of The Ladies' Singles Final from the all England Club; plus coverage of the Men's and Ladies' Doubles Finals to follow.
5.35 News.
6.05 London and Scotland—Sport: South West (Plymouth)—Spotlight Sport: All other English Regions — Sport/Regional News: Wales — Sports News Wales: Northern Ireland —Northern Ireland News and Sport.
6.10 The Saturday Film: "Mackenna's Gold," starring Gregory Peck, Omar Sharif and Telly Savalas.
8.15 The Val Doonican Music Show.
9.00 Dynasty.
9.50 News and Sport.
10.05 Wimbledon 84: "Match of the Day"—Desmond Lynam introduces highlights of this afternoon's Ladies' Final and Gerald Williams looks forward to tomorrow's Men's Final.
11.05 Bird of Prey by Ron Hutchinson.
11.55 Saturday Late Film: "Yesterday's Hero" starring Adam Faith.

BBC 2

6.25 am-3.10 pm Open University.
3.25 Saturday Cinema: "Random Harvest" starring Ronald Colman.
5.30 Wimbledon 84: The Lawn Tennis Championships from the Centre Court where the main feature is the Ladies' Singles Final, followed by the Men's Doubles Final and the Ladies' Doubles Final.
7.45 News and Sport.
8.00 Prima!
8.15 Mardy—"The Last Pit in the Rhondda."
9.05 Saturday Review.
10.05 Tribute to Joseph Losey.
10.10-12.05 pm "The Servant" starring Dirk Bogarde.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 No 73. 12.15 pm World of Sport: 12.20 Rugby League—Australia v Great Britain (Third Test) from Sydney Cricket Ground; 12.45 News, followed by Australian Pools News: 12.50 Olympics '84; 1.00 Stock Car Racing—The National Championship from Ipswich: 1.10 The Tour de France—Stages 4 and 8: 1.25 The ITV Seven from Sandown and Haydock (introduced by John Oaksey and Jim McGrath); 3.20 Hot Rod Racing—The Motaquip Championship of the World from Ipswich: 3.50 News Round-up: 4.00 Wrestling: 4.45 Results.
5.00 News.
5.05 Whiz Kids.
6.00 The Pyramid Game.
6.30 Some You Win.
7.00 Russ Abbot's Madhouse.
7.30 Ultra Quiz.
8.00 The Geordie Touch.
9.00 News.
9.15 Aspel and Company.
10.00 Boxing—The European Super-Featherweight Championship—from the Aston Villa Leisure Centre, Birmingham.
11.00 Tales of the Unexpected.
11.30 London News Headlines followed by The Tube Return Ticket.
12.25 am Night Thoughts with Dr Alec Dickson.

CHANNEL 4

1.50 pm Ark on the Move.
†2.20 "Pardon Us" starring Laurel and Hardy.
†3.20 "It's a Gift" starring W. C. Fields.
4.35 Buffalo Bill.
5.05 Brookside.
6.00 Ear Say.
7.00 News Summary followed by Seven Days.
7.30 Union World. In the last of the present series, Bob Greaves investigates the substance of pickets' complaints against the press and the police during the current miners' strike.
8.00 Cervantes.
8.50 The Great Wall of Los Angeles.
9.00 Callan.
10.00 Bacchanal.
11.00 Music is the Weapon.
12.05 am "Bureau of Missing Persons" starring Bette Davis with Lewis Stone and Pat O'Brien.

S4C WALES

2.10 pm A Week in Politics. 2.50 Sacchanal. 3.30 Ousesons. 4.00 Feature Film: "Stalag 17." 5.05 Country Routes, Hank Williams—The Show He Never Gave. 7.35 Newyddion. 7.45 Byddin y Toigr. 8.45 Llangollen '84. 9.35 Gwyl Ifan. 9.55 Callan. 10.55 It Takes a Worried Man. †11.20 Feature Film: "Night of the Demon."

REGIONS

IBA Regions as London except at the following times:—

ANGLIA
11.30 pm The Tube Return Ticket. 12.30 am At The End of the Day.

BORDER
9.25 am London Calling. 11.30 pm The Tube Return Ticket.

CENTRAL
9.25 am London Calling. 11.30 pm Superstars of Music: Rita Coolidge.

CHANNEL
5.25 am The Wonderful Stories of Professor Kitzel. 6.30 Thunderbirds. 10.20 Puffin's Pla(i)ce. 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce. 5.08 Whiz Kids. 11.30 The Tube.

GRAMPIAN
9.30 am A Iomadh Dutheich. 10.00 Bits 'n' Pieces. 11.30 pm The Tube Return Ticket. 12.30 am Reflections—with the Rev Lance Stone, Associate Minister at the Kirk of St Nicholas, Aberdeen.

GRANADA
9.25 am The Wonderful Stories of Professor Kitzel. 9.40 Little Rascals. 9.55 Cartoon. 10.05 Matt and Jenny on the Wilderness Trail. 11.30 pm The Continental Alain Delon "Boomerang."

HTV
9.25 am The Wonderful Stories of Professor Kitzel. 12.13 pm HTV News. 11.30 Callahan. 12.00 Newhart.
HTV Wales—As HTV West except: 11.30-12.00 Llangollen '84—Tony Lewis takes a personal look at this international festival.

SCOTTISH
9.25 am Sally and Jake. 9.30 A Iomadh Outheig. 10.00 Murphy's Mob. 10.25 The Cantoflas Show. 11.30 pm Late Call. 11.35 Quincy.

TSW
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 11.30 The Tube Return Ticket. 12.30 am Postscript. 12.35 South West Weather.

TVS
9.35 am Augie Doggie. 9.30 Wheelie and the Chopper Bunch. 10.00 Batman. 12.12 pm TVS Weather. 5.05 The Fall Guy. 11.30 The Tube Return Ticket. 12.30 am Company.

TYNE TEES
9.25 am Morning Glory. 9.30 Father Murphy. 10.25 TT Time. 12.15 pm North East News. 5.05 North East News. 5.10 Whiz Kids. 11.30 The Tube Return Ticket. 12.30 am Nine To Five. 1.00 Poet's Corner.

ULSTER
9.25 am Space 1999. 10.20 Cartoon Time. 12.43 pm Lunchtime News. 5.05 Ulster News. 5.10 Chips. 5.12 Ulster News. 11.30 The Tube Return Ticket. 12.25 am Sports Results. 12.30 News at Bedtime.

YORKSHIRE
9.25 am Regional Weather Forecast followed by Casper The Friendly Ghost. 9.35 Joe 90. 10.00 University Challenge. 5.05 pm Q.E.D. 11.30 Sylvie Vartan.

(S) Stereo broadcast

BBC RADIO 1
8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm My Top Ten (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 Eurorock Radio Festival (S). 7.30 Janice Long. 10.00-12.00 Dixie Peach (S).

BBC RADIO 2
5.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Roy Castle in Castle's Corner. 1.30 Wimbledon '84: Commentary on the Centenary Ladies Singles Final; Racing from Sandown Park at 2.55 (Coral Eclipse Stakes); Cricket: Reports from Grace Road on Leicestershire v West Indies, plus eight matches in the Britannic Assurance County Championship and the First Women's Test with England v New Zealand; plus the Scandinavian Open Gold Tournament, Cycling's Tour de France, Rugby League and Belgian Motor Cycling Grand Prix. 7.00 Three In A Row. 7.30 Cricket Scores: Viennese Gala Concert (S) (8.20 Interval—Peter Kemp talks about Johann Strauss' visit to York). 9.30 Big Band Special (S). 10.02 Sports Desk. 10.05 Saturday Rendezvous (S). 11.00 Ken Bruce (S). 1.00 am Hilary Osborn presents Nightride (S). 3.00-4.00 Country Concert (S).

BBC RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.30 Wolfgang Manz (S). 11.40 Ravel (S). 1.00 pm News. 1.05 Cello Sonatas (S). 2.00 Tchaikovsky opera in four acts, Act 1 (S). 2.55 Interval Reading. 3.00 Act 2. 3.45 Interval Reading. 3.50 Acts 3 and 4. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Beethoven (S). 7.10 Knowing, Grasping and Letting Go. 7.30 BBC Philharmonic Orchestra at a Hallé Promenade Concert from the Free Trade Hall, Manchester, Part 1: Berlioz, Bizet (S). 8.15 The Gigolo (short story by Françoise Sagan). 8.35 BBC Philharmonic Orchestra, Part 2: Saint-Saëns, Debussy (S). 9.40 The Ganelin Trio (S) (10.15-10.20 Interval Reading). 11.15-11.18 News.

BBC RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down To Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.46 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 Newsstand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News. A Small Country Living. 12.27 pm Just a Minute (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 3.00 The Jason Explanation of Saturday Night (S). 3.30 Not Exactly In His Footsteps. 4.00 News. 4.15 A Tiny Little Worm. 4.45 More Wrestling Than Dancing. 5.00 Wildlife with Derek Jones. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop The Week with Robert Robinson (S). 7.45 Baker's Dozen with Richard Baker (S). 8.30 Saturday Night-Theatre (S). 9.58 Weather. 10.00 News. 10.15 You The Jury (S). Today's motion: The Government should now intervene to end the miners' strike. 11.00 Evening Service (S). 11.15 Born Blind. 11.30 Naked Radio. 12.00 News.

BBC RADIO LONDON
7.32 am Good Fishing. 8.04 London Weekend. 8.30 The Boat Show. 9.03 It Seems Like Only Yesterday. 9.30 Corridors of Power: "On the Rates." 10.02 All that Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Big City. 7.30 Hold the Front Page. 8.00 Eastern Ear. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-6.00 am Join Radio 2.

—LONDON BROADCASTING—
7.00 am AM with Peter Deeley. 10.00 Clive Bull's Fix-It Phone-in. 1.00 pm Sportswatch. 6.00 Ola Fehv Reports. 7.00 Geet Mala. 9.00 Network. 10.00 Nightline. 1.00 am Night Extra.

CAPITAL RADIO
7.00 am The Breakfast Show (Dave Cash). 10.00 Pick of the Pops—Take Two (Roger Scott). 12.00 The Kenny Everett Show. 2.00 pm Afternoon Delight (Duncan Johnson). 4.00 Gary Crowley's Magic Box. 4.00 Greg Edwards' Soul Spectrum. 3.00 Roots Rockers (David Rodigan). 11.00 Foreign Affair (Charlie Gillett). 12.00 Midnight Special (Peter Young).

CHESS SOLUTION

Solution to Problem No 523

1 B-B6 (threat 2 N-B3 and 3 Q-R3 mate). If 1 . . . K-K8; 2 N-B3 ch, K-Q8; 3 BxP mate (that was why the B went to QB6). If 1 . . . P-K8=Q; 2 B-N2 ch, K-N8; 3 N-B3, or if 1 . . . P-K8=N; 2 B-N5 ch, N-Q6; 3 Q-Q1.

Piedmont revisited

Although Piedmont is celebrated for its wines—more perhaps for Asti Spumante and Vermouth than for its table wines, in spite of the "regal" Barolo and Barbaresco (discussed in the issue of June 9)—few probably realise that it has more DOC wines than any other region in Italy. There were 34 at the last count, but a further one, Roero, is probably due next year. Lazio with 17 is its nearest rival in this respect.

Moreover, this delectable district, running mainly but not entirely south of the Turin-Milan autostrada, is relatively little visited compared with the Veneto, Tuscany and Umbria whose wines are imbibed alongside their cultural attractions. Yet if Piedmont lacks the cathedrals, villas and art galleries, it has the most charming, smiling countryside, with steep vineyards on the hillsides and polyculture in the fertile valleys: maize, strawberries and vines.

In terms of quality the leading red wine grape of the region is the Nebbiolo, the variety used exclusively for Barolo and Barbaresco and at least 90 per cent in nine other main DOC wines, including Nebbiolo d'Alba (100 per cent) as well as Carema (100 per cent) far away to the west on the approaches to the Aosta Valley and Gattinara (90 per cent) to the north on the steep first folds of the Alps.

Like other varieties the qualities of the Nebbiolo grape depends to some extent on where it is planted and how it is vinefied. Whereas Barolo and Barbaresco are certainly wines that need considerable aging, the unadorned Nebbiolos, which for the DOC Alba label has to have a year in bottle, are for early drinking.

This essentially applies to all the other Piedmontese red wines, two to three years is probably the maximum. It is no good thinking that, stacked away, these wines will lose their powerful, mouth-filling—sometimes mouth-puckering—qualities, their "attack." What is more likely to happen is that they will lose their fruit, while the acidity will gain. The Piedmontese, at least, like to know when they are drinking a bottle of wine and I suspect that confronted with a fine Côte-d'Or red, most of them would find it very bland and unresponsive. Nebbiolo is usually a deep-coloured, fruity wine, full of flavour.

The next most important red wine is Dolcetto, named after the grape of that name and with no fewer than seven different DOCs, according to where it is made. Although the biggest quantity is produced round Alba, the Dolcetto di Ovada is generally considered the best, although a second Alba one, Dolcetto di Diano d'Alba, made in small quantities (c. 3,500 hl a year) has its supporters. It is a rustic wine, best after two years, rather lighter in style and alcohol than the Nebbiolos. To show off a fine Barolo or Barbaresco it is a good idea to serve first a Dolcetto, which is not sweet as its name suggests.

A somewhat similar wine is Freisa, formerly much more widely grown than now, when the average annual DOC production is only about 4,000 hl. But that applies only to Freisa d'Asti and a tiny amount of Freisa di Chieri from near Turin. A certain amount of non-DOC Fresia is made. On the spot I drank some attractive examples, slightly sweet, with a raspberry flavour. By Piedmont standards it is low in alcohol, with a minimum of 11 per cent for the DOC label.

Another wine regrettably in decline is Grignolino. It is a fragile producer, not very tannic and insufficiently productive to be very remunerative. Light in colour and dry, when drunk young it has something of the style of a Beaujolais. Made chiefly round Asti, in the village of Portocomaro there is one of Piedmont's eight *enoticas* where a wide variety of Grignolino may be tasted and bought.

The most widely planted Piedmontese grape is the Barbera, accounting for more than 50 per cent of the total. There are five DOCs, with Barbera

WINES
EDMUND PENNING-ROWSELL

d'Asti the leading DOC and Barbera del Monferrato the runner-up. *It is* a somewhat coarse wine on its own, and though perfectly acceptable as a table wine, it presents a sales problem for the region. So much so that a rosé is made, while five firms, among them Bersano, Contratto and Duca d'Asti, have got together to produce a branded dry white wine, Verbesco, from Barbera fermented without the skins. It is agreeably fresh, fruity and inexpensive. On my recent visit I did not taste the Novara Hills wines of Ghemme, Sizzano, etc, all made 90 per cent from Nebbiolo, but did visit Gattinara, where the best of them are made. Here the Nebbiolo is called Spanna.

It is a tiny district, with only about 3,000 hl being produced by no more than 20 growers: and only seven of them make and market their own wine. For owing to the extremely steep vineyards, possible only for manual cultivation, a number of sites have been abandoned. For it has to be aged for four years, two or three of them in wood, with a minimum degree of 12 degrees. Less deep in colour and less powerful than Barolo, Gattinara is a fruity, elegant wine and can be one of real distinction, but this depends on the producer. Two I visited, Travaglioe and Antoniolo, both make excellent wine and a 1964 of the latter, with a lovely rich nose, good colour and full flavour, showed how well it can keep. Much of the local wine is sold as non-DOC Spanna, and a leading merchant is Vallana. Buying a case of fine Gattinara and keeping it for some years might prove an excellent investment.

Piedmont is essentially a red wine region, but some whites are produced, and they are most now notably better, fresher and with *more style*, than on my last visit to the area. The best is certainly Gavi, produced on the region's eastern edge, south of Alessandria and *north of Genoa. The* grape is actually the Cortesi, so, confusingly, one may find Cortesi di Gavi, Gavi or even Gavi dei Gavi on the label. The last name means that it has been made in the commune of Gavi itself. Dry, clean, fresh with a slight prickle, and good depth of flavour, this is surely *one of the most attractive* dry white Italian wines. Within Italy it has a special reputation, and so is not all that inexpensive. The best-known producer *is La Scolca*, but I was very impressed with the Villa Broglia in Gavi itself, while other estate names to look for are La Giustiniana, La Battistina and Tenuta San Pietro. Total output is about 14,000 hl.

Another classic Piedmont white is Erbaluce di Caluso, made in the commune of Caluso near Ivrea, but its production is tiny, some of it sweet, but I did not taste it. Indeed there are some other Piedmont wines, made in infinitesimal quantities, not mentioned here, but unlikely to be come upon casually either here in Britain or in Piedmont itself. However, as mentioned in connection with Grignolino, Piedmont has an excellent series of eight *enoticas*, where either the local or all the regional wines may be sampled and bought. Started about 10 years ago, most are beautifully set up, chiefly in ancient brick cellars. The grandest is the regional one in the Barolo valley, in the castle of Grinzano, once owned by Cavour. There is another near Asti in the castle of Costigliole d'Asti, where each September there is a wine contest, the Douja d'Or. North-east of Asti there is a very well laid-out one in the cellars of the castle of Vignale Monferrato, and in the charming spa town of Acqui Termi, north of Genoa.

Some of these have restaurants. There are also two wine museums in the area: one at Abbazia dell'Annunziata, the property of Signor Renato Ratti, one of the leading growers, near La Morra; the other at Bersano's cellars at Nizza Monferrato. Then there is no lack of good restaurants in Piedmont. From the Belvedere in La Morra, over 1,600 ft above sea level one has indeed a fine view over the Barolo valley, and others I can recommend are La Contea in the Barbaresco village of Neive, while Da Guido *next to the enotico* at Costigliole d'Asti has a reputation throughout Italy.

Bust of Manon Lescaut

Rodin discovered

FEW ARTISTS have taken more care to assure their posthumous reputation and record than Auguste Rodin. By the provisions of his will his villa at Meudon and the Hotel Biron where he lived in Paris were made over to become the two sections of the Musée Rodin, which now preserves the major part of his sculpture, drawings, paintings, library and art collections.

With the oeuvre meticulously recorded, the chances of any work by Rodin having escaped the notice of scholars is very slight; yet this is the case with the newly discovered bust of Manon Lescaut, which Christie's are to sell at auction on the morning of July 17.

Until its current reappearance, the only known references to this exquisite work dated from 1882. In August of that year an art periodical reported that Rodin had just finished a bust of Manon Lescaut and in December the work was exhibited at La Galerie de la Librarie de l'Art in Paris. After that it disappeared, apparently into an English private collection where it has remained, unrecorded by Rodin scholarship, until now.

As a female subject, it is comparatively unusual for Rodin. In the 1860s and 1870s he had produced a number of portrait busts to commission, but the great series of busts that includes the majestic Victor Hugo, Puvis de Chavannes and Clemenceau, and is reckoned by many his finest achievement, dates between the early 1880s and the final years of his life.

For the moment Manon remains as enigmatic as her *Mona Lisa smile*. The portrait captures wonderfully the mixture of beauty, charm and guile in the Abbé Prévost's heroine, who first saw the light *of day* in a *novel published* in 1731. Yet such a vivid portrait must have been taken from life. In February 1882, about the time that Rodin might have been starting work on the sculpture, there was a revival of Aubert's *Manon Lescaut* at the Opera Comique. Was Rodin inspired by this production? (Massenet's more famous interpretation did not take the stage until two years later.) If indeed he found his inspiration at the Opera Comique, did the bust represent the 1882 interpreter of the role, and if so, who was she?

No doubt the mysteries will be elucidated when there has been more time for research. Meanwhile uncertainties about the sitter's identity are unlikely to inhibit buyers: Rodin's Manon will be among the costliest pieces of sculpture sold recently in London.

Another work by a major nineteenth century artist, an album of drawings of birds painted from nature by J. M. W. Turner, is likely to realise well in excess of a quarter of a

COLLECTING
JANET MARSH

million pounds when it is sold by Sotheby's on Thursday. Although this is the first time the album has come on to the market, it is by no means unknown and has featured in several Turner exhibitions this century.

The 20 quite modest watercolours, scientific in their precision, seem to have been painted in the course of Turner's second visit to Farnley Hall, near Otley, Yorkshire, during the summer of 1810. Farnley Hall was the residence of Walter Fawkes, who was one of Turner's most important patrons from the first years of the century until his own death in 1826. (Even after Fawkes' death Turner continued to receive gifts of game from Farnley, and a goose pie every Christmas.)

A number of Turner watercolours record shooting parties around Fawkes' very considerable estates: and the artist spent many days of this summer visit in sketching. The bird drawings appear to have been a thank you present to a generous host. They include game birds, domestic fowl, native wild birds of Yorkshire like the white owl, the heron, jay and goldfinch, and a few exotics which include a magnificent bust portrait of a peacock.

The bright condition of the drawings is probably due to the efforts of John Ruskin, who visited Fawkes' son just after *Turner's death*, when the watercolours were still loose mounted in a volume, apparently together with specimen feathers. Ruskin thereafter continued to nag the *family*: "*Have you done* anything to the drawings of the birds yet? I am terrified lest any harm come to them in framing. Pray tell me they are safe." *No doubt* as a result, the drawings were carefully window-mounted in the handsome crested album in which they are now sold.

How to make flies more appetising

JUNE ON the Test was chiefly memorable for the inordinate time it took for weed cutting to be finished. Day after day rafts of weed floated downstream, and although a few fish were rising between them, presenting the fly without it gathering these encumbrances took quite a bit of artfulness. In *these conditions* I *try* to land the leader on the weed so that the fly will float down quite naturally.

But compared with the same month last year *there seemed* to be much more fly about, and not all the fish had been taken on the Mayfly so there was usually something to do somewhere on the beat. *Not that* the catch was very large for the month. There seemed to be a rash of fish taking short. When this happens you see a fish rise to *your fly*, you *strike* or tighten the line, and it comes off the water without connecting with the fish.

In my opinion what happens

FISHING
JOHN CHERRINGTON

is that the fish comes to your fly and may even swallow it, but changes its mind and throws it out again. Sometimes it will do it several times. The other evening I found a small shoal at the top of a carrier rising like mad at something on the surface. I was sharing a rod and my companion caught one quickly but that did not seem to reduce the numbers rising. We took it in turn to cast over them and every fly that went down was inspected and rejected.

It is almost certain that a fish will hook itself and as long as there is no *slack* in the line worth talking about lifting the point of the rod is all that is needed. Say just when you see the rise in the general area of the fly. I don't believe my reactions are anything like as swift as those of a fish, and in any case it has the initiative. There is a case for what could be called "striking" in nymph fishing. The late Frank Sawyer of the Avon who was the best fly and nymph fisherman I have ever seen in action used to strike when he saw a fish move towards his sunken nymph. All he could see was the flash in the water of course, but it very often worked.

I spent one evening on the duffers carrier behind the stews, and watched the big fish bulging the surface as they cruised around occasionally head and tailing, just like salmon. I tried floating all manner of flies down over them but they took no notice. The water was glassy smooth and they could probably see *something* unnatural about the fly. Then I saw a small movement in a little run formed by a post of an old bridge on the far side of the stream.

I thought it was probably a Grayling, which are a good deal better than nothing to fish for on a dull evening. Presenting the fly without drag was the problem but I got over that by checking the line as it fell on the water. The resulting wavy line zig zagging across the surface accommodates itself to the differences in the currents and the fly will float naturally. I must confess that for years after I started fishing I was always dropping the line in this way in spite of working hard to try and throw the straight line demonstrated at the Game Fair and other places.

It now seems essential to learn how not to throw the over straight line, in order to catch fish in any case. This fish took the fly the first time it floated naturally down to it and was the best I caught in the month, just under three pounds. But why of all the many fish in the carrier was it the only one feeding?

CHESS
LEONARD BARDEN

THOUGH THE final score of 21-19 to the USSR in last week's match at London Docklands sounds a close call, the truth is that the overall Russian superiority over the Rest of the World team was greater than that. Both Karpov and Kasparov achieved their anticipated plus scores, while lower down the Soviets were able to demonstrate superiority on boards where the pairings favoured them and contain the margin of defeat where they had players out of form.

The World tied the first round 5-5, lost the next two 4-6 and 4½-5½, and only made a comeback in the final series by 5½-4½ when the USSR victory was already certain. Board six proved decisive for the overall result. The U.S. grandmaster Yasser Seirawan, played unexpectedly high in the order, was no match for Belyavsky, and when he was substituted after two bad losses his deputy Larsen also fell victim to a neat sequence which trapped his queen.

In contrast, on board eight where Hubner of West Germany outgraded Razuvaev (a late replacement for the sick Petrosian) by around 100 rating points, the Russian stonewalled his way through all four games, scoring his half points with some ease from a pairing where the West *should* have done better.

Nikolai Krogius, the USSR team captain, made astute use of his alternates, dropping the veteran Smyslov at once after his opening loss and later replacing Polugaevsky when that grandmaster was demoralised by Viktor Korchnoi. The frequent substitutions detracted from the overall impression compared with Belgrade 1970, where the individual pairings had undertones of true gladiatorial combat. And the evident importance which both sides placed on the team result diminished the creative content—compared with Belgrade few games will live in the memory.

London Docklands Development Corporation, who sponsored the match, and British Chess Federation officials, who set up everything within a week, can both take credit for their organising flair.

The three British grandmasters in the World team of 12 totalled a 50 per cent score, justified their special status (no other nation had more than one representative) and hopefully will give the energetic LDDC a reason to repeat the match before long. If the match was an annual fixture, and not just a once-a-generation special, it would provide a real incentive for other countries to catch up the Russians.

White: G. Kasharov (USSR). Black: J. Timman (Holland).

Queens Gambit Declined (London Docklands 1984): 1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3N-KB3, P-Q4; 4 N-B3, B-K2; 5 B-N5, 0-0; 6 P-K3, P-KR3; 7 BxN, BxB; 8 Q-B2, P-B4; 9 QPxP, Q-R4; 10 PxP, PxP; 11 0-0-0, B-K3; 12 NxP, R-B1; 13 K-N1, BxN; 14 RxB, N-B3.

This sharp opening variation is well analysed and the impression before the present game was that Black had good attacking chances for his two pawns investment. But Kasparov now stifles Black's play by exchanges and is soon material up without compensation.

15 B-B4, N-N5; 16 Q-Q2! RxP; 17 RxR, QxR; 18 R-QB1, Q-N3; 19 Q-Q7, R-KB1; 20 Q-N5, Q-... 21 P-K4, N-B3; 22 B-Q5, P-R3; 23 QxNP, N-K4; 24 R-B8, RxR; 25 QxR ch, K-R2; 26 Q-B2, K-N1; 27 N-Q2, P-N4; 28 P-QR3, K-N2; 29 N-B1, Q-N3; 30 N-N3, K-N3; 31 K-R2, P-KR4; 32 Q-B3, P-R5; 33 Q-N8 ch, B-N2; 34 N-R5, Resigns.

White: Z. Ribli (Hungary). Black: R. Vaganian (USSR).

Benko Gambit Deferred (London Docklands 1984).

1 N-KB3, N-KB3; 2 P-B4, P-KN3; 3 P-KN3, P-N3; 4 B-N2, B-QN2; 5 P-Q4, P-B4; 6 P-Q5, P-QN4?

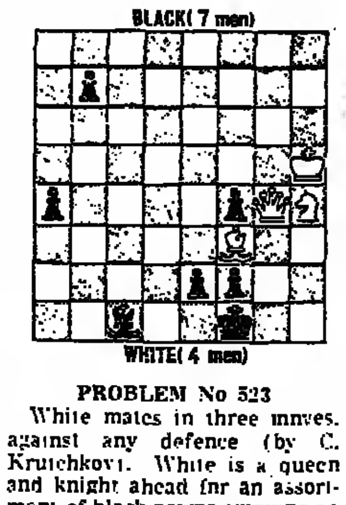
In its *normal form* (1 P-Q4, N-KB3; 2 P-QB4, P-B4; 3 P-Q5, P-QN4) the idea of this gambit is to dislocate White's development, hardly a realistic objective when Black has slowed down by P-QN3 and B-N2. In the sequel, Black gets little for his pawn.

7 0-0, B-N2; 8 N-N2; 8 R-K1, P-Q3; 9 P-K4, QN-Q2; 10 PxP, 0-0; 11 N-B3, P-QR3; 12 PxP, RxP; 13 P-KR3, Q-R1; 14 Q-B2, R-K1; 15 B-B4, R-N3; 16 QR-Q1, N-R4; 17 B-K3, R-N1; 18 N-QR4, R-R3; 19 P-N3, N-N3; 20 NxN, RxN; 21 P-K5!

The classical central push for which White rarely has time in the Benko proper.

21 . . . PxP; 22 BxP, R-QB1; 23 NxP, N-R3; 24 Q-B4, R-R3; 25 N-B6, BxN; 26 PxB, Resigns. Two pawns down with a bad position.

BLACK (7 men)



WHITE (4 men)

PROBLEM No 523

White mates in three moves, against any defence (by C. Krutchkov). White is a queen and knight ahead for an assortment of black pawns (moving as usual down the page). A mate looks simple, but there are several near-misses.

John Barrett reports from Wimbledon

Year of the Cash flow

Pat Cash . . . the emergent Australian

THE WIMBLEDON legend continues to grow. Thanks partly to two weeks of near perfect weather, record crowds have been able to enjoy some compelling performances from the *game's great players*.

It was really no surprise that the singles semi-finalists included the top three men and women in the game, plus the most promising outsider, who in each case had eliminated the player ranked fourth in the world.

John McEnroe, Ivan Lendl and Jimmy Connors have proved beyond doubt that they are ahead of their nearest challengers. And in beating a slightly injured Max Wilander, Pat Cash, at 19 years, one month, the youngest Australian semi-finalist ever and the youngest overall since the 18-year-old McEnroe reached that stage, unseeded in 1977, via the qualifying competition, has confirmed his potential as the best young grass court player in the world.

Similarly Martina Navratilova with only one loss in 1984, Chris Evert-Lloyd who has lost four *times to Miss* Navratilova this year but only twice to others, and Hana Madlecova who won four tournaments early in 1984, were clearly the three best women and Cathy *Jordan's* defeat of fourth-seeded Pam Schriver suggests that her work on grass where her volleying skills can shine, is greater than her present world ranking No. 7.

Perfect conditions inspired near perfect performances and Wimbledon's centre court stage with its unique atmosphere—a blend of traditional garden party supreme sporting challenge, and Royal Command Performance—has always inspired its gladiators. How magnificently have McEnroe and Miss Navratilova responded.

I believe that we are witnessing a new era in the game as these two set new standards of achievement—partly because of the mid-size graphite rackets they use, that throw the ball off the face faster than the conventional wooden models, with standard size heads that are now virtually obsolete among the Wimbledon competitors.

Consequently, they can hit the ball harder with less effort and John, by using his wrist can exploit his ability to see the ball earlier than his challengers to produce breath takingly audacious passing shots that appear to defy the laws of physics, as they dip to impossible angles.

Martina has not yet reached John's pitch of perfection in this department but the confidence to try such shots is coming, and her physical strength will enable her to add this dimension to her game.

Surely, there has never been a finer athlete in women's tennis that Martina, whose total *professionalism over* diet, training and coaching will doubtless inspire a whole new generation of players to greater effort. That, after all, is what brings progress: the sudden realisation that standards hitherto thought to be unattainable can indeed be reached by proper preparation.

It is difficult to see what new dimension McEnroe can add to his game now that he appears to have focused his entire effort into winning matches instead of arguments. In retrospect, we may all look back upon the fracas at Queens Club three weeks ago as a watershed in his career.

By letting his racquet do the talking here at Wimbledon, as he promised us he would, John has produced dreamlike tennis of a quality I do not believe has ever been equalled

It remains to be seen if he can continue to concentrate at such a level and channel his competitive drive solely towards the goal of winning. For in truth the only person likely to beat him on a grass court is McEnroe himself.

Trevor Bailey asks where have our bowlers gone?

The lesson of Greenidge

THE WEST INDIES followed up their first test rout of England with in some respects an even more remarkable triumph in the second, when they amassed an improbable *344 runs on* the last *day* from only 66 overs.

On this occasion the Caribbean hero was Gordon Greenidge who savaged a spectacular undefeated 214 the highest West Indian score ever made at Lord's. However, it would be wrong to overlook the perfect support provided by Gomes whose *mellow* second fiddle contributed 92 not out in their stand of 287.

Until this tour de force Gordon, who went to school in this country, made his debut for Hampshire back in 1970, and was also qualified for England had been having a lean tour.

These two West Indian victories won by an innings and 190 runs and the other by 9 wickets, have underlined the power of the tourists batting. After four days in which England had more than held their own our selectors watched their side disintegrate under the Greenidge onslaught and now sit down to pick a team for the third test at Headingley on Thursday. Their biggest problem is to find an attack approaching international calibre.

It was not the first time, and it will certainly not be the last, when the West Indies have made over 600 runs against England. The worrying feature at Edgebaston was they averaged well over *four runs* an over, and our five bowlers were destroyed.

Nobody ought to have been surprised that a on a pitch on which England had topped 300 and Garner and Marshall had looked relatively harmless, we should fail to dismiss the West Indies in their second innings.

But scoring 344 for only one wicket is another matter. This was as much due to the inability of our bowlers with the exception of Willis to bowl tight and to their fields, as to the brilliance of the batting. I am still trying to work out why Botham from round the wicket, with an *offside field*, *appeared* to be attacking Gomes' leg stump.

In my opinion the present standard of bowling in county cricket, if one excludes the overseas players, is the lowest it has been since the 1940s, when as a result of the war, there were few good seamers but there were still a number of high class spinners about, including Doug Wright, Eric Hollis, Tom Goddard and Sam Cook, who all captured well over 100 wickets.

This week Essex scored 524 for 7 and inflicted the heaviest defeat ever suffered by Yorkshire at Headingley. Shropshire also made 229 against Yorkshire and knocked them out of the NatWest Cup. These two *events suggest* that the *present* Yorkshire attack is the weakest ever.

Although Essex supplied two of England's seam attacks at Lord's, the country's best and most effective by a long way is John Lever who is unavailable because of the South African ban. Nevertheless John's record at the highest level is very respectable but certainly not exceptional.

Another sign that the pace bowling among the counties is weak is the way so many opening batsmen are joyfully cashing in. In 1950 our selectors included no fewer than six openers, in the seven batsmen chosen for Australia, Hutton, Washbrook, Simpson, Dewes and Shepherd.

England have employed seven combinations of openers in the last eight tests and this summer Fowler, Lloyd, Ward and Moxon, have all been picked by our selectors, while Terry is clearly knocking on the door.

In addition Gooch is enjoying himself enormously and almost half in the current top 20 in our batting averages go in first.

BRIDGE
E. P. C. COTTER

THE GOOD dummy player is always on the look-out for some method of increasing his chances of bringing home his contract. It does not require any special skill to eliminate side suits, but it is essential to understand what you are trying to achieve. When you understand it, you can put it into practice.

In his new book, Test Your Elimination Play (Gollancz £2.95) Hugh Kelsey shows us how to recognise and effect elimination and throw-in, which constitute the endplay.

Let us study this deal:

N
♠ A 8
♥ A Q 6 3
♦ J 7 2
♣ K 4 3 2

W
♠ Q 10 7 6 4
♥ 9 5 4
♦ K 8 6 3
♣ 5

E
♠ J 9 5 2
♥ K 8
♦ Q 9 4
♣ J 9 8 6

S
♠ K 3
♥ J 10 7 2
♦ A 10 5
♣ A Q 10 7

With both sides vulnerable, South dealt and said one no trump. North bid a Stayman two clubs, and raised the opener's rebid of two hearts to four hearts.

West's lead of the club five had all the earmarks of a singleton, so South, after winning East's Knave with his Ace, decided to reduce the chance of a *ruff* by playing to dummy's heart Ace and returning a low heart. East won, and led back a club for his partner to ruff. West switched to a spade, and eventually South lost two diamond tricks to go one down.

The declarer's refusal to try the trump finesse was good, but it was not of itself sufficient to save his contract. Had he combined it with partial elimination, he would have met with success. After winning the opening lead, he should cash his two spade tricks, then play Ace and another heart. This does not prevent West from ruffing a club, but it endplays him. West cannot return a spade without giving a ruff discard, so he leads a diamond. This restricts the declarer's losers in this suit to one, and he makes 10 tricks.

Elimination play in no trumps is somewhat different, as the ruff discard element no longer applies. But it can still be the way of salvation, as the hand below demonstrates.

With North-South vulnerable, West dealt and bid one diamond, North doubled, East said one heart, and South said one no trump. After West had rebid two diamonds, North jumped to three no trumps, and all passed. West leads the Knave of hearts—how do you propose to play?

Only diamonds can produce your ninth trick, and that means operating an endplay against West. To do this you must strip West of all safe exit-cards: at the same time you must not let East obtain the lead and lead a diamond prematurely.

East covers the heart Knave with the Queen, so you have to win. There are two assumptions to be made: first, that West has no more than two hearts; second, that West holds King, Queen, and another spade. At trick two lead a spade. If West plays an honour, let it hold, win the heart return, cash Ace and Knave of clubs, and play another spade. If West plays low, win with dummy's Ace, and return a spade to endplay West; if he plays his other honour, let it win again. West plays a third spade, you win on the table, cash the remaining clubs, lead a diamond, and cover East's six with your seven. West is trapped, and must give the ninth trick.

N
♠ A 9 7 3
♥ A 8 2
♦ 5
♣ A K Q 8 4

W
♠ K Q 5
♥ J 4
♦ A Q J 9 8 3
♣ 7 6

E
♠ J 10 6 2
♥ Q 10 9 7 5 3
♦ 6
♣ 9 3

S
♠ 8 4
♥ K 6
♦ K 10 7 4 2
♣ J 10 5 2

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Saturday July 7 1984

Summer of our discontent

HERE we go again. Midsummer is so much the traditional season for sterling crisis that perhaps it should be marked in business dairies, along with Cayman Islands (Constitution Day), Zambia (Heroes' Day), and other notable anniversaries of the past week. What seems to have set off the slide in sterling—which, unlike the rise of the dollar, started in earnest a couple of days ago—was an obscure academic report suggesting that the pound is still overvalued by 10 per cent. In an ordinary week, this would not even be news; similar estimates have been published in the City and elsewhere at frequent and regular intervals for years. The market took notice simply because it was hearing the echo of its own thoughts.

There have been plenty of reasons fo rtaking a gloomy view. In the background is the fact that earnings in the UK, although on a platue, are rising substantially faster than in settlements recorded by our main trading partners. For the past two years this gap has been covered by a minor British productivity miracle; but recent statistics suggest that productivity is slowing down. Rising unit labour costs are a traditionally sinister sign.

The sign could prove a deception on this occasion; the growth of output has been interrupted by the miners' strike, and its impact on coal and steel. More important, the miners' strike is imposing quite a heavy cost on the current account, through fuel imports, and earlier in the week the markets shared the general view that the two sides were simply digging in deeper. The prolonged talks now going on give some grounds for hoping that this assesment may be wrong, and certainly helped sterling to stabilise after the rise in bank base rates yesterday. Fighting the miners, like defending the Falklands, has its cost.

Test of nerve

In addition, the determined efforts by the authorities to prevent the rise in base rates which they subsequently encouraged was not expressed as happily as it might have been. The announcement that there was "no domestic reason" for a rise in rates left everyone free to speculate whether there might not be an external reason and what sort of development would look like a reason to the authorities. Not for the first time, the markets decided to test the official nerve.

The answer they got was the one which they should have expected all along. The Government takes a relaxed attitude to a strong dollar, in isolation; but it does not and cannot take a relaxed attitude when sterling is falling against every other major currency in sight. This should have been expected because ministers have repeatedly made it clear that they judge the strength of the pound by looking at the trade-weighted average and not at the headline dollar rate. Perhaps a firm reminder as part of the Bank of England statement on interest rates would have given a clearer lead.

Now it is quite possible, as this is written, that the whole episode will fade away as suddenly as it blew up, leaving no trace but a rise in mortgage rates. This is even probable if the present coal talks do lead to a settlement—even a settlement some way short of a triumph for the Government. Nevertheless, it raises some questions which ought to be answered rather than pigeonholed.

The first concerns only British policy. Official actions in the last few days suggest that we are once again behaving like a shadow member of the European Monetary System. This is a perfectly sensible exchange rate strategy; but it would be far more effective if we were real rather than a shadow member of the EMS. It is argued that since sterling is a petro-currency it tends to rise with the oil price—and, as recently, to fall with it—while other European currencies go the other way. However, these movements have been gentle rather than violent and should be containable. The costs of stabilisation should be less than those of continued uncertainty about our future competitive position.

Counter-action

Of course the European connection should be something much more important than this technical arrangement about exchange rates. The root cause of our troubles is of course what is happening in the U.S. where rapid growth, partly sustained by deficit financing on an absurd scale compared with domestic saving, is now threatening to crowd out recovery everywhere else. The implications for investment in Europe, and for any real hope of recovery in debtor countries, are grim, as Sir Geoffrey Howe has pointed out in a thoughtful speech which is surprisingly hostile to U.S. policy.

Yet if America's trading partners are unhappy at seeing their domestic savings, sucked away to finance U.S. consumer and defence spending rather than their own productive future, they will have to start thinking about some joint counter-action. The U.S. will not quickly amend its policies for purely selfish reasons—the present situation is very comfortable, especially for a President seeking re-election. It could also look tempting after the election, the debt crisis permitting, if opposition still consists simply of grumbling. Yet Europe, in concert, could be a heavyweight. This is the moral of our discontent.

KIDNAP IN LONDON

Why Dikko was seized

By Quentin Peel

LITTLE MORE than six months ago, Alhaji Umaru Dikko was the most sought-after man in Nigeria. As chairman of President Shehu Shagari's election campaign committee, chairman of the presidential task for rice imports, and Minister of Transport, as well as the head of state's brother-in-law, he was regarded as the best possible link-man to the President for anyone wanting to do business with Nigeria.

Within days of the New Year's Eve coup which overthrew President Shagari's civilian regime, and installed a Supreme Military Council headed by Maj Gen Muhammadu Buhari, Alhaji Dikko had been declared the country's most wanted fugitive. He fled across the border, to neighbouring Benin, apparently disguised as a priest.

The bungled attempt to kidnap Alhaji Dikko outside his smart London home in Porchester Terrace, Bayswater, whether or not it was a freelance effort or officially sanctioned by the Nigerian Government, can scarcely have come as a surprise to most Nigerians. Indeed, it will probably be widely regarded in Lagos as a perfectly legitimate and laudable move forcibly to repatriate an unpopular exile.

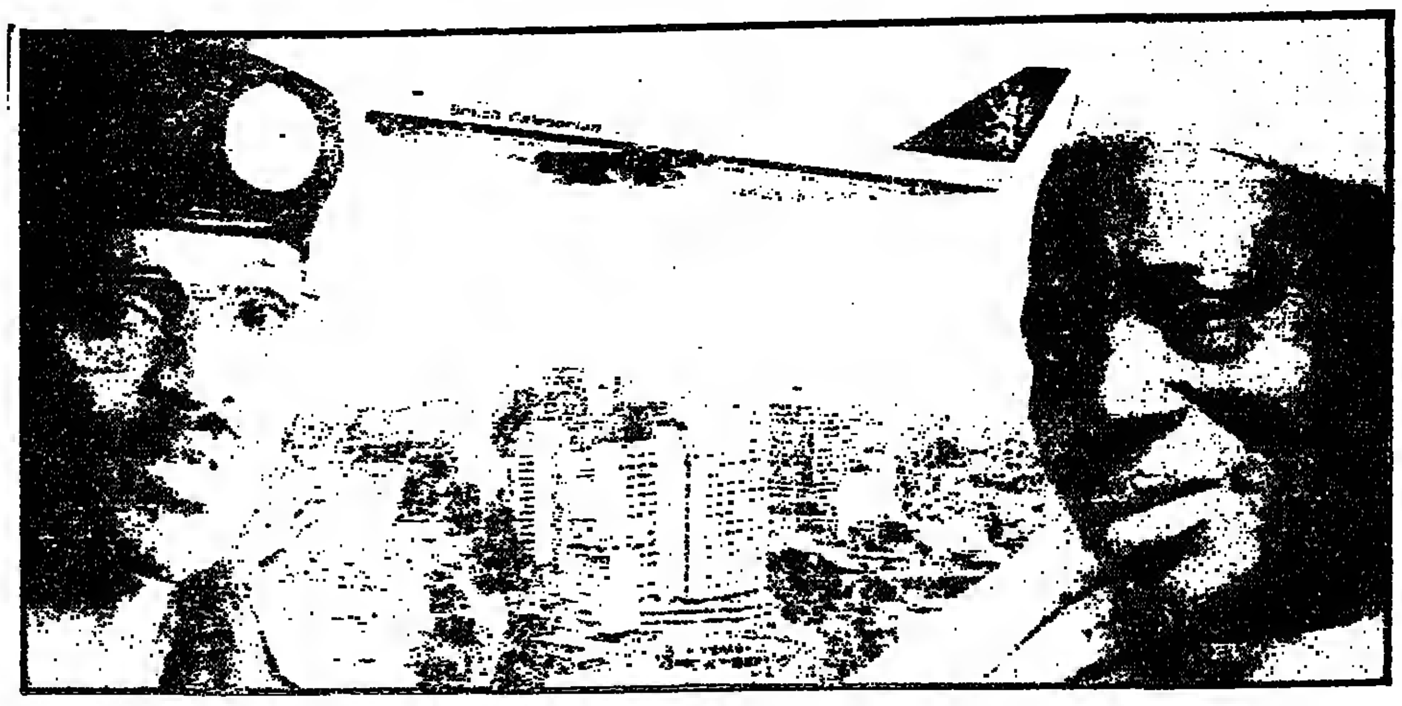
Alhaji Dikko was one of a handful of leading members of the former government to flee the country in the immediate aftermath of the military coup. Others included Dr Joseph Wayas, former president of the Senate; Chief Adisa Akinloye, former chairman of the ruling National Party of Nigeria

Lucrative rice sales contracts for supporters

(NPN); Senator Uba Ahmed, the secretary-general of the party; and Alhaji Isyiaku Ibrahim, a wealthy business backer of the NPN. Of them all, Alhaji Dikko was the most fierce and outspoken in his condemnation of the new military rulers in Lagos, calling for a "jihad" or holy war against them, and threatening to use any means at his disposal to overthrow them.

Even before the military coup, Alhaji Dikko was generally regarded as the key figure in the web of political partonage supporting President Shagari and his party. His chairmanship of the Presidential Task Force on Rice gave him the opportunity to hand out lucrative rice sales contracts to party supporters, in return for which they were expected to contribute to NPN funds. He was an important figure in decision-making on most major government contracts: with a particular responsibility for the substantial spending by his own Transport Ministry.

The popular support which greeted the New Year's Eve coup was based very largely on the argument that the civilian



General Buhari, who heads Nigeria's Supreme Military Council (left.), Alhaji Dikko and, in the background, Lagos, the capital.

government, in spite of its democratic origins, was corrupt, incompetent, and had returned to power in 1983 thanks to substantial rigging of the ballot. Whether such criticism was entirely justified or not it was very widely accepted as true.

The military has continued to exploit that belief in arresting more than 400 politicians and senior officials of the former regime, and promising to bring them to trial on a variety of charges of corruption or illegal currency transactions. While Nigera's economic situation has continued to deteriorate, with factories grinding to a halt for lack of imported raw materials and spare parts, and construction sites at a standstill across the country as both state and federal governments have run out of cash because of the sharp and prolonged downturn in national oil revenues, the only popular measures open to the new government have been to bring alleged offenders from the former government to book.

Alhaji Dikko and his fellow exiles however, looked set to avoid such retribution. Both British and U.S. governments, to whose countries they had fled, made it clear that they would consider extradition only on the basis of legal convictions for criminal offences in the Nigerian courts. To date, the trials in Nigeria have been held in camera before specially constituted military tribunals boycotted by the leading lawyers in the country. The Nigerian Government appeared to have accepted that convictions in such courts would not be internationally acceptable for extradition proceedings.

Indeed, there has been a suspicion in Nigeria in recent weeks that Gen Buhari's Government was happy not to be able to bring the exiles back to trial, for fear that they might try to incriminate some of the country's new rulers in order to defend themselves. Alhaji Dikko himself was an office-holder under former military governments: both as Commissioner for Finance in the North-Central State from 1967 to 1972, and later as Commissioner for Information in the same area.

The military Government has also been criticised for bringing to trial a string of southern politicians, including Governor Bisi Onabanjo of Ogun state (sentenced to 22 years' jail), Governor Melford Okilo of Rivers state, and Governor Jim Nwobodo of Anambra state—before charging any northerners. This has accentuated southern criticism of Gen Buhari and his colleagues on the Supreme Military Council as belonging to the same northern, Moslem group which ruled the country through President Shagari.

The return and trial of Alhaji Dikko would have gone some way to silence such criticism. Moreover, there is little doubt that the presence of such an important exile in London has put an added strain on already sensitive relations between London and Lagos. There was considerable irritation in Nigerian because the overthrow of democratic rule was widely criticised in British newspapers, while Alhaji Dikko and other exiles were interviewed by the BBC.

In addition, British companies have been felt to be un- in its attempts to reschedule the huge backlog of unpaid trade debts — estimated at up to $6bn — inherited from the old regime; and the British Treasury has been as tough as any other Finance Ministry calling for the new Government to reach agreement with the International Monetary Fund on an austerity programme.

The last-minute decision by Sir Geoffrey Howe, the British Foreign Secretary, to postpone an official visit in May was badly received in Lagos, especially as it was followed the very next day by the announcement that Mr P. W. Botha, the South African Prime Minister, was to visit London.

The abortive kidnap attempt seems certain, at least in the short term, to put a further strain on the relationship, although neither British nor Nigerian governments would want it to do so. In spite of its present economic plight, precipitated by the international oil glut, Nigeria remains a highly lucrative export market for British manufacturers. And because of its economic problems, compounded by the growing disaffection of international banks, Nigeria needs all the loyal friends it can find to assist in a recovery programme.

The Dikko affair seems certain to divert attention once again from the far more fundamental problems which Nigeria still faces on the economic fronts.

In the six months since it took power, the Supreme Military Council appears to have been more preoccupied bringing former politicians to trial than in analysing the country's economic plight. In part, this stems from the widely held conviction that corruption and mismanagement were more important than ill-considered economic policies in causing the downturn.

Negotiations with the IMF for an extended loan, which could total more than $3bn, have now continued on and off for some 15 months without any conclusion. Yet without a result, commercial banks are holding back on any bridging finance, while major Western trading partners like Britain, France, Japan and West Germany refuse to reshedule a backlog of insured trade payments.

The country's economic plight is expressed in growing shortages of many staple commodities; inflation officially estimated at up to 40 per cent, and unofficially thought to be much higher; and unemployment in virtually every urban household.

What Nigeria needs is a substantial balance of payments loan to tide it over the short-term crisis of reviving domestic production, in order in the long-term to cut back on what

Unemployment in almost every urban household

has traditionally been a bloated import bill both for food and manufactured goods. But neither commercial banks nor private investors are likely to produce the necessary capital inflow, because of Nigeria's reputation for economic mismanagement, stemming from the huge build-up in payments arrears over the past two years. The IMF remains the only alternative, barring a dramatic upturn in the oil market, or the unlikely prospect of aid from Saudi Arabia.

The sticking point with the IMF under both Shagari and Buhari governments has been a refusal to contemplate outright devaluation of the naira, in spite of a general admission that it is seriously overvalued. The result is that imports remain more attractive than local goods, whether manufactured or agricultural, and new foreign investment is non-existent.

Yet maintenance of an exchange rate parity has become an article of economic nationalism, and that is likely to be reinforced by any wave of chauvinism stemming from a confrontation with Britain over Mr Dikko. It is a game in which both sides seem certain to be losers.

NIGERIA: AN IMPORTANT MARKET FOR THE UK

BRITAIN'S ECONOMIC ties with Nigeria are still very important, although the level of trade between the two nations has plunged dramatically since 1982.

In that year, Nigeria was still the UK's biggest customer, apart from the EEC and the U.S. But as the African state's all-important oil revenues fell, and the Lagos Government eventually responded by curbing imports, British companies with a major foothold in the market—such as Unilever's UAC International subsidiary, Manchester-based Paterson Zochonis and Lonrho's John Holt—have found their Nigerian turnover heavily squeezed.

Last year, Britain exported goods—chiefly machinery and transport equipment followed by manufactured goods and chemicals—worth £798m to Nigeria, a fall of about 35 per cent from the 1982 level. This year, reflecting the continuing foreign exchange drought in Nigeria, Britain's sales look set to fall at least another 30 per cent, although its market share seems likely to remain constant at around 20 per cent—still the largest.

Nigeria's growing financial problems, highlighted by a backlog of up to $6bn in short-term trade debts, have strained its ties with Western creditors, particularly since the military seized power just over six months ago.

The Buhari regime, in a mood of mounting nationalism, is still resisting the austere economic measures prescribed by the International Monetary Fund.

This, in turn, has caused Britain and Nigeria's other major trade partners—France, West Germany, Japan, Italy and the U.S.—to refuse to negotiate over a refinancing of the estimated $2bn-$2.5bn of Nigerian trade debts insured by government export credit agencies.

Britain's Export Credits Guarantee Department (ECGD) alone is believed to have insured debts of £600m to £800m.

A major political row, coming as it does after Nigerian displeasure at the visit to London of Mr P. W. Botha, the South African Prime Minister, last month, can only exacerbate the strains; in Nigeria, as elsewhere, political friction has a habit of impinging directly on business.

Executives watching yesterday's events, while disinclined to believe that the dispute would lead to an outright breach between the two countries, still remember the 1979 confrontation between London and a previous military government over British Petroleum and South Africa. The dispute resulted in the summary nationalisation of BP's Nigerian interests.

Letters to the Editor

Third World debts

From the Managing Director, Henley Consulting Group.

Sir, — Without pretending to be an expert, Keynesian or otherwise, it is known to be a good thing for companies to secure large contracts from developing countries which enable the companies to utilise their productive and labour resources, hopefully to make a profit, and for their home countries in keeping up the level of employment and home investment in enhanced resources and R and D to keep them ahead of the less developed nations.

But it is so obvious that the beneficiary nations can never repay the capital sums involved (and it would probably be bad for us if they did) and it is now becoming increasingly obvious that the interest payments obligations themselves are becoming impossibly high.

This post war phenomenon of rapid growth of other industrialised nations has meant that the banking systems within have been encouraged to provide finance to support this beneficial business. But now several banks in each of the major industrial nations are facing, at the very least, postponement of interest payments and must know, in their heart of hearts, that they will never see their capital back. And the IMF is now seeking to have the Third World countries impose belt-tightening operations to cut down internal demand, thus providing every likelihood of reduced GNP within.

Rather than contemplate and encourage a world financial catastrophe much worse than 1973/4, it is strongly suggested that the major creditor nations get together, add up what is owed by each of the Third World countries to each creditor country and issue government paper to the creditor bankers on a long term fixed interest bond basis—redeemable in the year 2050 with interest payable at, say 2½ per cent compound.

The total indebtedness for any major country will be less than 5 per cent of its national debt and the rate of interest is probably at least as generous as the banks could be expected to enjoy under present and likely future circumstances. Those banks who want to get out can sell their paper at the appropriate discount and inflation, by the year 2050, should deal with the real value of the present indebtedness.

This would have to be a once-for-all operation. In future, it should be clearly seen that advanced nations should only lend their resources to developing nations to purchase product/services from the lender nation. In past years we have witnessed the ridiculous situation where British funds have been made available for development in Third World countries who have then promptly spent them on the products of other European or Far Eastern nations to our great dis-benefit.

Kenneth A. Mitchell,
1, Bock Lane,
Henley-in-Arden,
West Midlands.

What the actuary assumes

From Mr A. Smallbone.

Sir,—Mr McLeish (June 13) complains of my use (June 4) of the term double standards and then obligingly provides an example.

"The actuary assumes a proportion will die . . . ." Quite so: but that is a genuine actuarial assumption. Mr McLeish, however, also writes ". . . the actuary assumes a proportion will leave;" that may well be an assumption made by some actuaries, but it is not an actuarial assumption. Worse. Is it ever an assumption?

Is the real truth that some actuaries no doubt having been given to understand that the Employer knows what he is about), certify as solvent funds that are so only if the Employer is ready to get rid of staff in order to balance the books, should there be too few volunteers?

The harsh truth is that the existing final salary pension system is wide open to manipulation, because of a flaw in the wording of the 1973 Social Security Act. The Concise OED definition of the word "preserva" is:—"Keep safe (from harm, decay, etc) . . . ," but a "preserved" pension is not kept safe from decay at all. Rather it may be defined as "a sum, the mathematical symbols of which are maintained, but the purchasing power of which bears no necessary relationship to any salary at any date, by the time it becomes payable."

Furthermore it is very doubtful that all actuaries make "assumptions" about leavers. One major company wrote recently:— ". . . deferred pensions to all employees with more than five years membership and deferred pensioners receive the same increases as current pensioners . . . . . . throughout the past decade of high inflation . . . increases have averaged about 12 per cent a year . . . ."

Not the least of the problems posed by the system is that if "new, aware, managements" chance to acquire control of a company which has maintained a properly-funded scheme (a "properly-funded" scheme being defined as one which does not rely for its solvency on a secret pre-determined policy of rapid staff turnover), mouthwatering sums can be released—in the fashion described June 4—by introducing a harsher redundancy programme.

Alan Smallbone,
30 Temple Fortune Lane,
London NW11.

Wrongful use of insolvency

From the General Secretary, National Union of Tailors and Garment Workers

Sir, — I must take issue with Mr Peter Phillips of Arthur Anderson and Co when he asserts (June 16) that I am incorrect in suggesting that employees' statutory entitlements will be prejudiced by the failure of their employer to pay across to the Inland Revenue deductions already made from their wages in respect of national insurance and income tax. Regardless of the theory, in practice my members experience very considerable difficulties.

Not least of these is the substantial delays that can occur before unemployment benefit, for example, is paid. And, of course, such benefits are most needed as soon as possible after a member loses her job.

From his letter it appears that Mr Phillips' experience has been that payments are not made for cash-flow reasons. The situation in the clothing industry is rather different. Very often, non-payment is the result of a direct intent to defraud the Department of Health and Social Security and the Inland Revenue. Naturally, in these circumstances accurate records are not kept. The inaccuracy of an insolvent employer's records is often the official explanation for the delay in the payment of benefits. The reality is, however, that this is part and parcel of the failure to pay deductions from wages.

Mr Phillips claims that my point about unfair competition arising from the withholding of deductions is not immediately clear. He may be assisted by the following quote from a recent letter by a clothing company chairman: "Pressure by the tax authorities (on clothing manufacturers) to pay outstanding taxes and PAYE has resulted in the liquidation of their businesses, only to recommence trading almost within days, under a new name. This has caused legitimate businesses considerable damage."

I have no interest in entering the debate on whether unpaid taxes should continue to be preferential claims on the assets of an insolvent company. In the clothing industry this is often academic. The assets are frequently little more than sufficient to cover the liquidator's fees.

Mr Phillips' support for more rigorous collection procedures is welcome. Indeed, recent efforts by the Inland Revenue in relation to the London clothing industry are a step in the right direction.

Yet, it would be wrong to imagine that improved collection procedures alone can solve the problem of the scope given by the abuse of limited liability to tax evasion and unfair competition. At present directors' personal liability for National Insurance contributions does not prevent widespread abuse. Rather than reducing such personal liability, the Government should extend it so that it becomes an effective deterrent.

Alec Smith,
16 Charles Square, N1.

Unit trust investors

From Mr N. Webster

Sir,—Congratulations to Clive Wolman on his article (June 30) explaining how unit trust investors are misled about the pricing of units. It is in the interest of unit trust managers that the public should be kept in the dark, and my experience is the same as his—that some managers even go so far as to pull the wool over the eyes of their own staff.

Most unit trust investors do not understand that the legally permitted spread between the bid and offer price of units is much wider than the spread quoted at a particular time by the manager, nor that managers can and do move their quoted prices up and down within the spread. Nor do most investors know that managers can make profits for their management companies (not for the unitholders) by themselves dealing in the units of the trusts they run, manipulating unit prices within the wide Department of Trade spread to maximise their profits. Nor do they realise that performance figures can be exaggerated by including in a percentage rise in the price of units over a stated period a shift upwards within the legally permitted spread.

That the Department of Trade should be a party to this conspiracy of obscurity is shameful. It would be naive to expect the Association of Unit Trust Managers to provide illumination. But in the long term interests of the City it is desirable that conduct be improved. As a minimum, managers should be required to state the Department of Trade spread on any of their trusts to anyone reasonably asking for the information (eg a unitholder or prospective unitholder), to state it at the latest practicable date in every report to unitholders, and in every advertisement inviting subscriptions for units.

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Otley Road,
Leeds.

هكذا أصبح الرجل

POLITICS TODAY

Getting the big things right

By Malcolm Rutherford

THERE HAVE been two ways of looking at British politics this summer: the short-term view and the long. One the first, it has been a chapter of embarrassments for the Government, banana skins all over the place. On the second, however, the prospects are not too bad.

If you want a rule of thumb, it is that the Government gets the small things wrong; it is beginning to get the big things right.

To start with some embarrassments: Enterprise Oil, for example. It looks like a monumental mess-up: the shares stuck with the underwriters, the afternoon raid by RTZ, and the Government changing the rules after the game had started. Yet one wonders how long all that will be remembered. The main point is that the company has been sold. There has been a marked absence of threats to renationalise it.

One also seems to come across a remarkable number of people who were critical of the sale of Britoil, yet who now confess to wishing they had bought shares in the first place. The initial market flop did not matter. Privatisation is becoming a way of life. It will be hard to reverse.

Again, take the House of Lords and the local government saga. The Government could hardly look sillier. It was Lord Thorneycroft, a former Conservative Party chairman, who said in the Lords: "Almost all local government reform ends in disaster." The Government deserves all the flak it is being given for not having properly worked out how to go about implementing its policy.

Yet the reform of local government is, by and large, a relatively small matter. If that is all that Mrs Thatcher's administration gets wrong, it can probably survive without too much anguish.

Besides, there are redeeming factors. For instance, by rejecting Tory Bills the House of Lords has probably done a great deal to assure its own future. It cannot be said any more to be a Conservative poodle. The precedent should make it much easier for the Lords to stand up to measures they dislike from a House of Commons again dominated by the Labour Party.

In a curiously British sort of way, the present composition of the Lords also quite closely reflects political developments in the country as a whole. The most significant trend over the past 30 years or so has been the decline in the aggregate support for the two main parties: Tories and Labour. That is mirrored in the Lords where it is the votes of a combination of Alliance supporters and cross-benchers that can be decisive. The upper House seems to have produced its own form of proportional representation.

Moreover, the business of local government reform cannot go on for ever, though previous experiments with legislation on devolution and indeed the reform of the Lords itself should have served as a warning that any attempt at constitutional change takes an inordinate amount of parliamentary time and is probably not worth the candle.

The business will go through in one form or another—well before the next general election. By then it may be seen in a different light. The ultimate objective, after all, is more democracy, not less, and it is to be sought by abolishing an unnecessary tier of authority. The Government may have gone about it in an extraordinarily clumsy way, but it would be unwise to conclude that that is bound to spell doom. There should be time to recover.

Turning now to the big things: the settlement of the British contribution to the European Community budget was discussed briefly in this space last week. All that needs to be said here is that if Britain, France and West Germany stick to their new spirit of co-operation, the old British arguments with Europe may be finally seen to belong to the past. A turning point, if ever there was one.

There are two additions: Ireland and the visit of Sir Geoffrey Howe, the Foreign Secretary, to Moscow. If it was not widely noticed in London, it was certainly noticed in Dublin: the debate in the Commons on Monday signalled a change in the British approach to the Ulster/Irish question.

Mr James Prior, the Northern Ireland Secretary, actually said: "The dangers for the people of Northern Ireland of sitting back and doing nothing are greater than the obvious risks of seeking to make some political advance." Mrs Thatcher seemed to agree.

The speeches of the Northern Ireland Members were also conciliatory. There was an acceptance that the two communities in Ulster—the unionists and the nationalists—must talk to each other.

The point was taken by Mr Peter Barry, the Irish Foreign Minister, who, having read the full record of the debate, issued a statement acknowledging that for the first time the British Government and the Commons were beginning to come to terms with all the dimensions of the Irish question.

If sustained, the new British interest in seeking to do something about Ulster—other than containing the level of violence—could be another turning point. The prize for success would be enormous. It has eluded successive British governments over the ages.

Meanwhile, Sir Geoffrey Howe made no secret about his frosty reception at the Kremlin. But at least he was there. Under Mrs Thatcher's first administration, no British Foreign Secretary went to Moscow, although a visit could almost certainly have been arranged. The priorities are changing.

British foreign policy apart, there is also some evidence that the general Western approach towards the Soviet Union has become more co-ordinated. President Mitterrand of France and the foreign ministers of West Germany and Italy, as well as Sir Geoffrey, have all been to Moscow and said much the same thing: namely, that after the breakdown in the main negotiations on arms control, the West would again like to begin talking.

There does not seem to be any great national competition between them either: no suing for special Soviet favours. On the contrary, there has been a general Western European reconciliation with President Reagan, who has himself become much more attentive to the need for arms control.

Predictions that public opinion in Europe would continue to swing in favour of unilateral disarmament after the initial deployment of cruise missiles and Pershing 2s have turned out to be false. What we have instead is a reasonably united Western alliance trying to resume a dialogue with Moscow. It may well be taking public opinion with it, and could continue to do so if Moscow remains inflexible.

In his usual prosaic way, Sir Geoffrey told the House on Wednesday: "I looked upon the visit as one step in our long-term policy of promoting a better understanding between East and West, with the aim of increasing security at a lower level of arms."

For a start, Mrs Thatcher's administration did not use to have such a long-term policy. Second, one was reminded of the Foreign Secretary's previous incarnation as Chancellor: for example, during the 1981 Budget, when he seemed to be at a low point. He plodded on, step by step, and more or less won through.

The same sort of approach is now being applied to foreign policy, with the Prime Minister's support and that of the Atlantic Alliance. It should not be written off in advance.

There are one or two other areas where the Government may be making progress which will only become visible with time. One is education, where Sir Keith Joseph's reforms of the examination system could lead to a much more technically trained society. Mr Leon Brittan at the Home Office is trying to comprehend the system of criminal justice as a whole.

Mr Nigel Lawson, the Chancellor of the Exchequer, spoke this week about advancing the pace of reform in the City, and the Prime Minister's Policy Unit in 10 Downing Street has been active in giving advice. For the first time perhaps, Mrs Thatcher has an advisory service to her liking, even if its proceedings, even existence, are remarkably unpublicised. You could say that, for all the banana skins, the Government is beginning to work.

There is, however, a gap between what the Government is trying to do in the long term and the public perception of what is happening now. There are also some issues which are not yet either long-term victories or defeats. In political terms, they could go either way.

One is unemployment, another is the miners' strike. The Government's achievement in having made the economy boring in the sense that it is no longer much talked about except among specialists, cannot last indefinitely.

It is possible that unemployment is becoming a middle-class subject, partly because of the number of executives now out of work and partly because too many of the educated children of the middle classes cannot find jobs. The time may be coming when the unemployment figures will again become a major political index. If they were still rising next spring, for example, and there was no turn in the number of vacancies, all the good work in other fields could still go for nothing.

The miners' strike is an enigma. It is quite different from 1973-74. Hardly anyone has called it a national crisis or a matter of "Who governs Britain?" But it is still far from certain who will win: Mr Ian MacGregor, the moderniser, for the Coal Board, or Mr Arthur Scargill, the reactionary for the miners, or whether there will still be an old-fashioned compromise. The Government is a good deal less calm about it than it tries to appear on the surface. It is the real test of whether Mrs Thatcher's policies can be applied across the board, or whether old habits still prevail. Nobody knows the answer.

Wimbledon

The gold in the net of the stars

By Feona McEwan

LOVERS of grass court tennis have been privy to an intriguing mating game for the past fortnight. There at Wimbledon, displayed for the watching world to see, partnerships are revealed that surely would have shocked the likes of Fred Perry and Bunny Austin in the straight-laced days of pre-open tennis.

There's John McEnroe and Bic, Hana Mandlikova and Ricoh, Martina Navratilova and Porsche. Chris Lloyd and Lipton, Ivan Lendl also with Porsche . . . pairings that are declared by not-so-discreet badges.

Company logos may be tightly controlled at Wimbledon—cloth patches must be no more than 2 in square and no more than two per player "or else they'd be decorated like Christmas trees" and words like sponsorship, and advertising deemed beyond the pale. Yet even the rarefied All England Club, which runs the tournament, is unable to withstand totally the commercial enterprise of companies keen to associate products and services with its atmosphere of excellence.

Wimbledon wouldn't quite be Wimbledon without the familiar sight of Robinson's Barley Water (celebrating its 50th year there), Coca Cola and its water coolers, Rolex timepieces and Slazenger equipment.

So just what is the lure of this commercial courtship? Who gains what from the experience and at what cost?

Companies can choose to endorse an entire event (Volvo of Sweden underwrites for more than \$1½m the grand prix men's circuit, as did Pepsi Cola, Colgate-Palmolive and Commercial Union before it) or behave more modestly, like British Olivetti, which this year provided word processors for transmitting the order of play. Or they can back individual players, as Dunlop, Tacchini and Nike have done with McEnroe.

As to the event, Robinson's has been providing Barley Water on court since 1934, three years before the BBC arrived and widened its appeal.

Slazenger, provider of umpire's chairs, nets, balls and court covers since 1902, regards its longstanding link as an endorsement of the quality of its own products. "Sport is about winning, so "it makes sense to link our products with an event that is all about winning," says Robert McCowen, marketing director Slazenger racket sports.

"Now he's screaming at his investment manager"

Slazenger has boosted sales this year as the public has followed most players seen on television, in switching from wood or metal to graphite rackets. "We are now in the fashion business where size of head and colour of grip matters, says McCowen. "We have to change our line every year now instead of every four or five years."

Television is obviously a vital strand to a promotion-conscious company like Coca-Cola.

An independent study in 1981 indicated a total audience of 70.7m people in the UK exposed to at least one match during the fortnight. This year more than 85 countries outside the UK are reckoned to have broadcast coverage.

Commercial investment of a different ilk centres on the 44 hospitality marquees, where the nation's leading companies entertain clients in considerable style. Geoffrey Bluett, a director of Bagenal Harvey Organisation, commercial advisors to the championships, says there already is a waiting list for 1985 of more than 50 companies. Each spends an average of £3,500 a day.

Last year, marquees and merchandising of the Wimbledon logo on sportswear generated £1.4m in revenue. This along with the broadcast fees (£4m in 1983) and ticket sales (£1.8m last year) contributes to the profit, once the outgoings (personnel fees, prize money, ground improvement) are taken care of. This is given to the Lawn Tennis Association for the betterment of British tennis. Last year the pre-tax surplus was £2.75m though signs are of a lot more this year with the gate alone after nine days up by about 19,000.

Others are more sceptical of the endorsement theory. "I would like to know how people gauge cost effectiveness of some of these endorsements," says Alastair Sedgwick of sponsorship specialists Marketing and the Arts (part of Carl Byoir PR group). "Some of it seems to me a total waste of money which could be better used, perhaps backing a series of concerts for, say, £10,000 a season."

Companies which back individual tennis players tend to go for the top handful. The Women's Tennis Association estimates that deals on endorsements can range from \$5,000 to \$100,000 depending on agent and player. The figures for men range from about \$500,000 a year for McEnroe's Dunlop contract downwards.

McEnroe chose Dunlop's new Max 200G injection-moulded graphite mid-head racket. "Sales have taken off in an unbelievable way," says Richard Braddon of Dunlop. "We can't keep up with demand. People know he has enough money not to be bought and that he picks the racket that gives him the best performance. His use of the racket gives it believability."

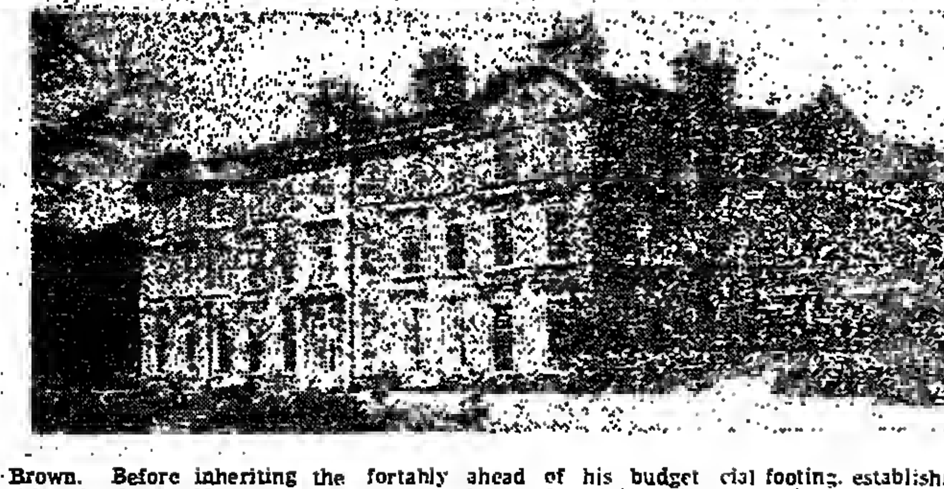
Endorsements, of course, have their risk. What happens when a player sinks from view as Tracy Austin has this year, after endorsing the Pony shoe last year? She is still a name, says Pony, but her failure to appear next year could change things.

On the whole, however, only a few top players endorse products. McEnroe is estimated to have added some \$1.5m in endorsements last year to his total overall earnings of between \$4m to \$5m.

There are now 14 dollar millionaires among the women tennis player, the latest being Andrea Jaeger and Mandlikova (from oncourt earnings only) and 37 men have joined the club since tennis turned open in 1968.

Weekend Brief

Living like a modern lord



THIS week Richard Bridgeman, seventh Earl of Bradford, sold his flat in London and moved his young family permanently to the ancestral estate of Weston Park outside Wolverhampton. There he will wrestle with the intractable problem of resolving the financial crisis caused by the unexpected death of his father three years ago and of trying to make the future more secure for his heir, Alexander, Viscount Newport, aged three.

Lord Bradford's experiences of living like a lord are much more typical than those of the Duke of Devonshire, who this week-end is over £13m richer following the sale of 71 of his Old Master drawings at Christie's on Tuesday.

On the surface Lord Bradford has an ideal life. The family home is a red brick mansion of the 17th century set in a 13,500-acre walled estate with parklands designed by Capability Brown. Before inheriting the title Lord Bradford was a successful restaurateur and he still keeps his hand in by devising banquets at Weston. He has an attractive wife and two young sons.

But a closer look at the house reveals the cracks in the stone work caused by the hard winter of two years ago. The balustrade at the end of the house has been unsafe for four years. The Weston estate has been kept intact but other family land has been sold off. And in March he was forced to sell one of the great attractions of Weston, a painting by Jacopo Bassano.

Lord Bradford works in a small office every day devising ways to increase the revenue of the estate. This year he is comfortably ahead of his budget target, then adds, "but of course that is not going to enable us to break even."

The Earl of Bradford's problem, like that of most of Britain's aristocrats, is Capital Transfer Tax, or death duties. When his father died the Inland Revenue assessed duties at around £8m. The top rate of tax then was 75 per cent (it has since been reduced to 60 per cent but this does not help him), and after six months of the death, interest starts to be paid on unpaid tax. Lord Bradford hopes that within three months he will have finally satisfied the Revenue.

Paying off death duties is the first challenge facing Lord Bradford: the second is putting Weston Park on a sound financial footing, establishing a trust which in time will enable the house and the park to be refurbished to pristine condition. To this end he is throwing himself with abandon into a mountain of money raising events.

The major source of revenue is opening the park and the house to the public. Last year there were 130,000 visitors, but Lord Bradford noticed that one-third of the cars that approached down the drive turned back when they saw the admission charges—£1.90 for adults; £1.30 for children. This year he has reduced the prices to £1.50 and £1, but with an additional charge for the house.

In the grounds there are a woodland adventure playground and a butterfly reserve (both run by outside contractors). He is investigating a possible use for the old granary block—it nearly became a motor bike museum. Last Sunday the "largest fancy dress show in the world" was held at Weston: tomorrow the grounds welcome the Armstrong Siddeley Meet.

In addition Lord Bradford is courting business. Marshalls Tractors launched a new product range on the lawn fronting the house; BTR has held a conference there; Tarmac Roadstone is to hold a dinner. In the spring there are the banquets; in the autumn, the grounds are given over to shooting parties.

In his small office with the phone continually ringing Lord Bradford looks what he is—a small businessman working very hard to shore up a family business which has been going on, one way or another, for almost a thousand years on the same premises. It is the tradition that keeps him active, to preserve a way of life that he scarcely has time to enjoy.

"I want to avoid having to sell of another treasure every five years," he says in the marble hall of Weston, surrounded by ancestors painted by Lely and Van Dyck. He himself used to collect—he built up an excellent collection of Dutch glass. A specialist from Christie's was coming to value it yesterday. It looks as if it will have to be sold.

Legacy of the crash of '84

The crash of '84 shook Wall Street to its foundations. In January, the great James Keene went bust, long of some 25 million bushels of wheat. In May, Ferdinand Ward — known as the Prince of Swindlers—went down, and in the ensuing panic, the Metropolitan, Second National and Wall Street Banks all failed.

In an atmosphere of crisis 100 years ago this week, a tall young financial journalist decided to bring a little order to the market place. In his "Customers' Afternoon News Letter," which was to be the forerunner of the Wall Street Journal, Charles Dow launched a market average based on the prices of 11 stocks, which was designed to reflect the movement of the market as a whole.

Dow's first list was made up almost entirely of railroad stocks, which dominated market activity at the time. This was the basis for the transportation average, which today also includes airlines and trucking companies. In 1897, he launched a new list of 12 industrial stocks, which over the years has been expanded and reshaped into the Dow Jones Industrial Average.

By today's standards, however, Dow's yardsticks look about as outmoded as the old Chicago and North Western Railroad. Compared with the FT Industrial Ordinary Index, which is a mere stripling at just under 50 years old, its calculation is extremely crude. The prices of the stocks in the list are simply added up and divided by a constant divisor. One big drawback has been that when a stock is split, its influence on the overall average has dropped in direct proportion to the split, even though the total value of the company is of course unchanged.

Detractors also claim that the industrial average contains too high a proportion of sunset industries, and that it does not even have the virtue of continuity. Of the original 1897 list, only General Electric and American Brands remain. The average has included a utility, AT and T, since 1931, and a couple of years ago the image was further blurred by the inclusion of a financial, American Express.

All the same, the Dow still holds sway. One reason for its staying power is that it is used for interpreting the famous Dow theory, which still has a wide following despite its pretty unsatisfactory record in recent years. In essence, this holds that if the peaks and troughs in the industrial average keep getting higher—and that if this pattern is confirmed in the transportation average — then you are in a long-term bull market.

But the main reason for the continued popularity of the averages—as with the FT Industrial Ordinary—is simply that they have been bred into the minds of the market over several generations. Everyone knows that the all-singing, all-dancing computerised indices produce a more accurate guide to the long-term performance of the market as a whole. But if you ask anyone what the market did yesterday, the chances are that their answer will be expressed in terms of movements on the Dow or the FT Index.

Penguin's founder becomes a Viking

Penguin has a healthy tradition of international publishing under its wing. This week it changed its hardback imprint from "Allen Lane" (named after its famous founder) to "Viking"—the name of the hardback publisher owned by Penguin in the United States.

Sentimental observers of the book publishing world may mutter a bit about finally burying the old boy out at sea on a burning boat, but so far no Anglo-Saxon author or agent has found it necessary to defend the old régime with a sword—or even with the pen, which counts for rather more in these circles. All in all, the 1984 Viking invasion has passed off with singular absence of rape and pillage. David Brown, head of marketing on the hardback side, would not have had it any other way. He merely changed the label on his hat.

Viking (UK) is publishing more books this autumn than Allen Lane published during the whole of 1983: 58 titles will appear between now and December. Children's hardback books from Penguin will also come under the new name, as Viking Kestrel. The combined publishing output will increase by 65 per cent this autumn: from 53 books in the autumn of 1983 to a new total of 82.

The fiction side will include *Maia*, by Richard Adams, author of *Watership Down*; Julia O'Faolain's *The Irish Signorina*; and children's stories by Leon Garfield, Nicholas Fisk and Marjorie Dark. In non-fiction, Gayle Hunnicutt will reveal her secrets in *Health and Beauty in Motherhood*, and Laurens van der Post has written a *Testament to the Bushmen*.

Penguin has owned the American Viking imprint for nearly 10 years. Appropriately, in over 50 years of publishing in the U.S., Viking has launched many a major British author on the other side of the Atlantic: D. H. Lawrence, James Joyce, Rebecca West, Graham Greene. It is Frederick Forsyth's American hardback publisher, and Kingsley Amis's; and D. M. Thomas's, too.

Penguin Books stress that both Vikings will continue to exercise independent editorial choice: there are no plans to increase the small number of joint purchases made by Viking (USA) and Allen Lane. But from now on the share and exchange of stock, particularly on titles with high production costs and/or small print runs, will be more efficiently managed; and there will be greater opportunities to print jointly.

It is all part of Peter Mayer's strategy for success. The Chief Executive of the Penguin Books Group points out that simplification has an inherent logic for international publishing, for authors, for the book trade and for readers. Penguin companies in Australia, New Zealand, and Canada, besides those here and in the U.S., will all benefit from having just one imprint on the hardback side of the stable. Allen Lane, whose name will forever be linked with the paperback mass market he invented, may rest with honour and in peace.

Contributors:
Antony Thorncroft
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Gay Firth

BUILDING SOCIETY RATES

	Share acc %	Sub'pn shares %	Others %	
Abbey National	6.25	7.25	7.25	Seven-day account
			7.75	Higher interest acc. 90 days' notice or charge
			5.00-6.50	Cheque-save
Aid to Thrift	7.50	—	—	Easy withdrawal, no penalty
Alliance	6.25	7.25	7.25	Monthly income—1 mth.'s notice 7.50 £2,500+
			7.50	28 d. not im wdl 28 dys' pen if bal under £10,000
			7.25	7 days' notice. No interest penalty
Anglia	6.35	7.25	7.75	3-year bond. No notice 3 months' penalty
			7.75	Capital share. No notice. 1 month's penalty
			7.25	7 days' notice. No interest penalty
Barnsley	6.25	8.00	7.90	2-year term—3 months' notice no penalty
Birmingham and Bridgwater	6.25	7.75	7.25	5 days' notice or 28 days' int. penalty £500 min.
			7.75	Guaranteed fixed rate. 12 months. £500 min.
Bradford and Bingley	6.25	7.50	7.50	On demand, no penalty
			8.09	High yield SAYE 7-year lump sum scheme
Britannia	6.25	7.25	7.25	7 days' notice. 7.50 28 days' notice
Cardiff	7.25	7.75	7.50	Share account balance £10,000 and over
Catholic	6.50	7.50	8.00	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)	7.35	—	8.10	permanent. 7.85 variable, 2/3 years
Chelsea	6.25	7.25	8.10	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	6.25	7.25	7.50	Gold account £1,000+. No notice. No penalties Monthly int. £5,000 + 7.76 if added to account
Citizens Regency	6.50	8.00	7.40	Plus account no penalty. Double option 7.50
City of London (The)	6.50	7.25	8.00	6 months' notice—no penalty during notice
Derbyshire	6.25	7.50	8.00	7.25 1 months' not., 6.75-7.60 3 months' notice
Gateway	6.25	7.25	7.25	£1,000+/7.50 £10,000+ Gold Star
Greenwich	6.25	7.50	7.25-7.50	subject to balance/7 days' notice
Guardian	6.50	—	8.15	6 months. 7.75 3 months. £1,000 minimum
Halifax	6.25	7.25	7.25	7-day Xtra. 7 days notice, no penalty
			7.50	28-day Xtra. 28 days' notice, no penalty
			7.75	90-day Xtra. 90 days' notice, no penalty
Heart of England	6.25	7.50	7.25	5-day notice. 7.25 Flexi-term
Hemel Hempstead	6.25	7.50	8.00	2 years. 7.60 28 days. 7.35 over £5,000
Hendon	7.25	—	7.75	3 months
Lambeth	6.40	7.50	8.05	28 days' plus loss of interest. 7.25 3 months'
Leamington Spa	6.35	—	7.50	Spa income, pd. monthly, no notice, no penalty
			7.75	Lino 30 days' notice, or penalty, £1,000 min.
Leeds and Holbeck	6.25	8.00	7.75	Monthly interest. 7.75 1 month's notice or pen.
Leeds Permanent	6.25	7.25	7.50	Extra int £500 min. 28 days' notice/penalty
Leicester	6.25	7.25	8.00	compounded. 3 years 7.50 28 days' notice
London Permanent	6.75	—	7.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	6.25	7.75	7.75	3-year term with 0.5 bonus on mat'y if reinvstd.
Mornington	7.50	7.50	—	Prompt withdrawals—no penalty
National Counties	6.35	7.55	7.80	1 month's notice (no penalty) £1,000+
National and Provincial	6.25	7.25	7.50	1 month's notice or immediate and interest loss
Nationwide	6.25	7.25	7.75	Capital bonds, 3 years, 90 days' notice/penalty
			7.50	Super bonus account, 60 days' notice/penalty
			7.25	Bonus—7 accounts, 7 days' notice/penalty
Newcastle	6.25	7.50	7.75	90 days' notice, or on demand with penalty
			7.25	28 days' notice or on demand with penalty
Northern Rock	6.25	7.50	7.50	Moneyspinner plus, 7 days' notice withdrawal No penalty, minimum investment £10,000
			7.25	On investments £1,000-£9,999
Norwich	6.25	7.50	7.50	City account, immed. wthdwls. with no penalty
Paddington	6.75	8.25	7.75	1 mth.'s not. or 1 mth.'s int. loss on sums wdn.
Peckham	7.00	—	7.50	7 days, 8.0 3 months
Portman	6.25	7.75	7.75	Two months' notice, 7.50 no notice
Portsmouth	6.55	8.05	8.40	5 years', 8.00 6 months', 7.75 3 months'
Property Owners	6.75	8.00	7.75	7 dys., 7.85 28 dys., 8.10 6 mths., 7.50 mthly inc.
Scarborough	6.25	7.50	8.00	2-year limited share, 1.75 guarantd. differential
Skipton	6.25	7.50	7.75	Sov'reign £10,000+, 7.50 £5,000+, 7.25 £1,000+. No penalty. No notice monthly income
Stroud	6.25	7.50	7.85	3 months', 7.60 £10,000+ no penalty, no notice
Sussex County	6.25	8.00	7.25	7 days' notice. 7.50 SxSh. 6.50 Sh a/c £2,500+
Sussex Mutual	6.50	8.00	7.75	Monthly income at 1 month's notice
Thrift	7.15	—	8.15	3-year term. Other accounts available
Town and Country	6.25	7.25	8.00	90 days not. or pen. if bal. goes under £10,000
			7.50	7 days not. or pen. if bal. goes under £10,000
Wessex	7.60	—	—	No notice. No penalties
Woolwich	6.25	7.25	7.25	7-day account, 7 days' notice
			7.50	28-day account, 28 days' notice/penalty
			7.75	90-day account, 90 days' notice/penalty
Yorkshire	6.25	7.25	7.75	Diamond key, 60 days' penalty or 28 days' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Neepsend 'on right road' as profit rises to £145,000 for year

BY MAINTAINING its profitability in the second half, Neepsend has produced a pretax profit of £145,000 for the year ended March 31 1984, compared with a loss of £792,000 previously, and is holding its nominal dividend at 0.1p net per share.

The results mark the end of the major rationalisation programme, and three years of losses. It is too early to make forecasts, but the directors are confident that the company "is on the right road." Main activities are now the production of ferro alloy, tool making, the manufacture of grinding media, and special steel castings.

With the elimination of most loss-making activities, particularly in steel, it is anticipated that a favourable trend will continue. The company is concentrating on building up its market share in its main activities, and improving gross margins by greater afficiency in manufacturing techniques.

Order intake and sales in the current year continue at improved levels, but the directors express some concern about the possible effects on the economy of the continued coal industry dispute.

Turnover for 1983-84 came out at £18.12m, against £20.15m, and the trading profit shot up to £885,000 (£143,000). While borrowings remained at a similar level to the previous year, interest charges were cut to £719,000 (£1.01m), and associates ran into a loss of £21,000 (profit £75,000).

After tax £2,000 (credit £56,000) the net profit is £143,000 (loss £736,000) for earnings of 1.04p (loss 5.42p) per share. Extraordinary debits total total £299,000 (£106,000)—the directors report that all the major items have now been dealt with.

Bulgin profits slump as exceptional charges bite

SUBSTANTIAL exceptional costs this time of £479,000 had a severe effect on profits of A. F. Bulgin & Co. manufacturer and distributor of electrical and electronic compenents. Pre-tax figures for the year to January 31 1984 slumped from £759,000 to £42,000, following a £38,000 rise to £381,000 at half-time.

However, in the expectation of a much brighter current year, the directors are maintaining the final dividend at 0.77p net for a same-again total of 1.35p per 5p share.

The exceptional items reflected in full a major reorganisation of the group's interest in electronics components manufacture and distribution—now complete, and an exceptional depletion of the oil and gas interests. These two factors accounted for £290,000 and £190,000 respectively.

Tax charge for the year was £140,000, against £341,000, and there was also a £6,000 (nil) depreciation adjustment on the revaluation surplus of freehold buildings. Loss per share was 0.35p (1.49p earnings).

Improved levels of trading were recorded by the manufacturing operation with an increasing customer demand for products during the year, which has continued into the current period. This has also been the case with the group's distribution subsidiaries, including Broadercasting, which became wholly owned in October 1983.

Coupled with the group reorganisation, a new power conversion division has been established, which will come fully on stream this autumn. The way is clear for growth in the buoyant electronic components market, the directors say.

Hill Samuel unveils rights issue to raise £40.5m

Hill Samuel, the investment banking group, is raising £40.5m through a four-for-one rights issue at 235p per share.

The group has spent around £50m over the last three years to further its aims of organic growth, acquisitions and investment in computerised systems. It intends to use £15m of the rights money to augment the capital base of its merchant banking arm. It envisages growth particularly in selected lending, trade financing and treasury activities.

Sir Robert Clark, the chairman, told shareholders at the annual meeting on Thursday that "the UK securities industry is not moving inexorably towards the creation of integrated investment banking operations."

The proposed purchase of a 29.9 per cent take in stockbrokers Wood Mackenzie, for an undisclosed sum, is considered an important step in strengthening the bank's capability in the distribution and trading of securities.

An extraordinary general meeting has been called for Monday July 23 when a resolution will be considered to increase the company's authorised share capital from £20m to £30m.

● On Thursday, TR Energy unveiled plans to raise £7.84m via a rights issue of 8 per cent convertible unsecured loan stock 1997-2001 on the basis of £1 nominal of stock at par for every three ordinary shares.

Investment trusts within the Touche Remnant group owning 39.3 per cent of TR Energy will be taking up their rights in full. The balance has been underwritten by Kleinwort Benson.

The rights will finance recently purchased U.S. producing properties, repay bank debt and to provide additional working capital. The company expects net revenue for the year to June 30 to emerge lower at £100,000, against £210,897.

● Robert Moss is making a one-for-five rights issue at 83p a share to raise £2.6m to fund an accelerating capital investment programme and offset the drain of £1.09m of maturing loan stock.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
A. F. Bulgin	0.77	—	0.77	1.35	1.35
Courts	2.95	—	2.95	4.7	4.7
Evans of Leeds	1.75	—	1.38	3	2.63
Fitch Lovell	6.7	—	5.83	9.2	8
Fobel Intl.	1.45	—	1.4	2.65	2.4
Greenfields Leisure int.	0.25	—	0.25	—	0.75
Neepsend	0.1	—	0.1	0.1	0.1
Rowe Evans	1.35	—	0.61¶	1.35	0.65
Unigate	4.75	—	4.3	7.5	6.6

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. ¶ For nine months.

Butterfield secures additional finance

By Alexander Nicoll

Butterfield-Harvey, an industrial holding company, has secured additional financing after suffering heavy losses in its latest financial year, due mainly to operating losses, stock write-downs and a plant closure at its Shelvoke dustcart-making subsidiary.

Technology Inc, a U.S. industrial and aerospace company, rescued Butterfield last year. It has now further strengthened its links with the Charlton-based company and enabled it to obtain £1.6m of funding from the Midland Bank.

Sir Monty Finniston, former head of British Steel, will step down from the Butterfield chairmanship and board. The chairman of Technology, Mr Maurice Krug, is moving up from deputy chairman.

Butterfield actually recorded an operating profit in the year to end-March of £106,000 compared with £583,000 in the previous year. The Shelvoke subsidiary made an operating loss of £1.86m, but other subsidiaries, including plastic blow-moulding, marine equipment factoring, office furniture and houseware companies, had a combined operating profit of £1.96m. Total group turnover was £44.9m against £46.1m.

Shelvoke closed a plant making dustcart components in Letchworth, where it still retains another dustcart plant. Redundancy costs of £658,000 and the £104,000 cost of financing and trading agreements—less £181,000 abatement of pension costs—produced a pre-tax loss for Butterfield on ordinary activities of £1.16m compared with a profit of £110,000 last year.

The loss included interest costs of £686,000 (£941,000).

In addition to these exceptional items, Butterfield made an extraordinary charge of £2.17m reflecting Shelvoke's provisions for "further significant redundancies"—it has just made a further 1Y61 people redundant—writing off production stocks and manufacturing plant, and reorganisation costs.

A further £800,000 extraordinary charge, due to a loss on the sale of another loss-making subsidiary, Weston Hydraulics, produced an attributable loss for Butterfield of £4.11m (£189,000).

Mr William Greenhalgh, chief executive, said the write-downs had reduced Shelvoke to a "zero base-line" from which it would become profitable from September onwards. It now plans to produce only two vehicles a week compared with three or four last year.

Group borrowings stood at £7.27m at the end of the year—a ratio of 134 per cent to shareholders' funds—and will be further increased by £1m of overdraft facilities and an advance of £0.6m from Midland Bank. The bank is providing the advance because Technology has given it security over Shelvoke's long leasehold property.

In return for giving up this part of its hold over Butterfield's assets, Technology will get the right to buy Butterfield shares at lower prices than those previously agreed.

Technology holds 4.8 per cent of Butterfield's ordinary shares and subscribed last year to £2m of convertible loan setock. Under a new agreement to be put to Butterfield's shareholders, the conversion rate for one share would drop to one share for every 25p of loan stock from 28p. With this change, full conversion would give Technology 38.8 per cent of Butterfield.

Technology also has options to buy 6.15m shares, and the new agreement would reduce the price on exercising the options by half to 25p. If fully exercised, the options would give Technology 52 per cent. It may also acquire shares in the market, but is required to make a full bid if its holding exceeds 48 per cent.

Bultrefield's shares, suspended last week at 11p, closed yesterday at 15p, valuing the company at £2.17m.

Opening shots fired in battle for Sealink

BY STEFAN WAGSTYL

THE SALE of Sealink came a step nearer yesterday as three bidders made offers for the British Rail subsidiary which is to be sold as part of the Government's privatisation programme.

Two of the contenders are Sea Containers and a consortium which includes the Sealink management. The third is thought to be Ellerman Lines.

The Trafalgar House group has ruled itself out as a contender in the auction saying it would not make a bid "at this stage." There could be another potential bidder as Common Brothers, the Newcastle-upon-Tyne shipping company controlled from Norway, has indicated that it might still consider making an offer.

The three bidders last night did not reveal how much they were offering for Sealink, its main business is running cross-Channel ferries. But it is understood that £50m was about the maximum bid.

This is certainly well short of the most optimistic hopes of British Rail and the Government. Estimates of Sealink's value had ranged at up to £100m.

Morgan Grenfell, the merchant bank handling the sale, will now be considering the offers with British Rail. The bidders are expecting to hear the results of the auction by July 20.

The withdrawal of Trafalgar House caused some surprise in the City last night, since the group has invested much time in investigating Sealink. But it explained that it was pulling out because it considered that "it would not be in its shareholders' interest to bid for Sealink on the basis currently proposed."

The company said that it objected to some of the conditions attached to the offer.

These conditions have been at the heart of the protracted negotiations between British Rail and the bidders. The potential purchasers have been concerned about the business links between BR and Sealink after the sale—including the nature of Sealink's harbour contract which expires at the end of 1986.

There have also been fears that Sealink is not trading as well as originally forecast this summer and some concern about the Government's role in the sale following the way it handled the Enterprise Oil offer.

The job of sorting out the bids will not be easy. Mr David Ewart, a director of Morgan Grenfell, said that all the bids had different conditions attached. These conditions had financial implications which affected the amount of money offered.

He also did not rule out that since "public assets" were at stake any bids received at a later stage would necessarily be excluded.

Sea Containers, which is based in London but registered in Bermuda and owned largely by U.S. shareholders, said that its bid took account of the conditions imposed by British Rail.

It is understood that the bid made by the Sealink management consortium, which also includes the National Freight Consortium, Globe Investment Trust, Charterhouse Japhet and the James Fisher shipping concern, is conditional, reflecting the bidders' worries about the harbour contract and other elements of British Rail's terms.

Prestwich Parker diversifies into media

BY RAY MAUGHAN

Prestwich Parker Holdings is to acquire Palan Entertainment Corporation from the trustees of family settlements of Mr Paul Levinson for £900,000.

Traditionally a nuts and bolts manufacturer, the company expects to sell the subsidiary still involved in that sector shortly. The Palan deal will be its second major diversification in 18 months.

Palan, based in London, buys and sells media rights primarily for cinema, video and television. It recently acquired the world rights to the Lone Ranger and Lassie catalogues from the Wrather Corporation of the U.S. for about $1m.

If the deal is approved by Prestwich shareholders and the Takeover Panel, Mr Levinson will control 47.32 per cent of the enlarged equity and will take over from Mr Jeffrey Rubins as chairman.

Plans to float the company's first major diversification, Henlys Optical, have been shelved for the time being.

Mr Levinson's trusts will receive 1.8m new Prestwich shares in consideration for Palan provided the newly-formed media rights distributer makes aggregate pre-tax profits of not less than £500,000 between its inception in February this year and June 1986.

The incoming chairman will also inject a total of £1.04m by subscribing for 2.1m new shares at 40p per share and, assuming Palan hits its profits target, by exercising an option to subscribe for a further 400,000 shares at 50p per share.

A further 400,000 shares are are to be placed with unconnected parties.

Mr Levinson and two partners sold Videoform to Mr Gerald Ronson's unlisted property, finance vehicle distribution and leisure group, Heron International for £10m in May last year before parting company with Mr Ronson in December.

Palan's management accounts at April showed a small trading loss and net deficiency.

Shares in Prestwich climbed 20p to 78p yesterday, following marked recent advances although, speaking from his marquee at Wimbledon yesterday, Mr Levinson said that the discount offered by his subscription price had been determined when the shares were trading at about 46p and reflected the group's past profits performance and the fact that his trusts are to inject cash.

He expected that the long-awaited sale of the Prestwich Parker (Fasteners) subsidiary would be completed "within the next few days," leaving the group engaged principally in optical practices, industrial clothing and safety products and the media business which will provide "the opportunity for growth and for a significant involvement in an expanding industry.

Montegu Loebl Stanley advised Prestwich Parker on the acquisition and are to be appointed brokers to the group.

Thorn EMI withdraws its BAe bid

By Alexander Nicoll

Thorn EMI, the electronics group, yesterday formally pulled out of the running for British Aerospace, less than two months after its surprise announcement of merger talks with the aircraft and weapons manufacturer.

BAe is still discussing with General Electric Company the possibility of a bid from the electrical engineering group, which aproached BAe after Thorn. There was no indication yesterday that a bid from GEC was imminent.

BAe, chaired by Sir Austin Pearce, rejected merger proposals put by Thorn in June after four weeks of talks, saying that "the financial and commercial disadvantages of a merger outweigh any advantages. Thorn had told BAe it would not offer more than three of its shares for four BAe shares.

BAe's decision, and the reasons given for it, were seen as leaving the way open for GEC. But Mr Peter Laister, Thorn EMI chairman, left Thorn's options open by saying simply that "my colleagues and I will be reviewing the situation with our advisers."

It had been expected that Thorn would refrain from further action until the outcome of *BAe's talks with GEC was clear.* Yesterday's announcement was thus a mild surprise.

Uncertainty about Thorn's intentions have been a drag on its share price. But the price—in a falling market—dropped 6p to 523p yesterday, while BAe fell 10p to 358p and GEC lost 4p to 192p.

Freshbake deals expand frozen food product range

BY RAY MAUGHAN

Freshbake Foods is paying a maximum of £6.25m to complete the targeted expansion of its frozen food product range by acquiring Baughan's Foods from Ranks Hovis McDougall and the privately owned Muirson Food Brokers International.

Baughan's frozen unbaked savoury products, including sausage rolls and pastles, are made at Braintree, while its dough products, including doughnuts, are produced at Seaham, Sunderland.

RHM is to receive a basic consideration of £4.5m for Baughan's, though the terms will be varied subject to a maximum of £500,000 by the amount that net worth exceeds or falls short of £3.5m at completion on July 27.

The vendors of Muirson have warranted that the catering pack frozen food brokerage group will make aggregate profits of over £416,000 between completion and March 31 1986 and that net assets will be over £425,000 at the end of this month. Profits last year were unchanged at £100,000.

Freshbake, which expects to transfer from the Unlisted Securities Market to a full quote this autumn, is to pay up to £1.25m for Muirson, of which £700,000 will be paid initially and a further £550,000 could become payable in September 1986 depending on the rate of annualised pre-tax profits within the warranty period.

The payment for Baughan's and Muirson will be met through the issue of 5.31m and 526,000 new Freshbake shares respectively of which all but 472,000 shares, which will be retained by the Muirson vendors, have been placed conditionally by Kleinwort Benson at 86p per share.

Mr Ken Manley, joint managing director of Freshbake, said yesterday that Baughan's had been sought as the company believed demand for frozen, part-prepared products for in-store baking was good and would continue to grow strongly.

Bluemel to acquire cycle accessories importer

BY ALEXANDER NICOLL

Bluemel Brothers, the bicycle and component manufacturer, has agreed a £1.5m acquisition of a cycle accessories importer, to be funded by an eight-for-five rights issue.

Bluemel of Coventry plans to acquire the Harrogate-based Ron Kitching Group from Mr and Mrs Ron Kitching in exchange for £1.4m in cash and £100,000 in Bluemel shares. Ron Kitching imports quality cycle accessories from France, Italy and Japan.

Bluemel has been recovering under the chairmanship of Mr Ronnie Aitken. Its unaudited results for the first half ended March 31 showed a loss of £98,000 compared with a loss of £248,000 (including an extraordinary charge of £75,000) in the previous first half. Loss per share was 1.08p against 6.10p. Turnover dropped to £1.78m from £2.18m. In the second half of the last financial year, loss including extraordinary items was £647,000.

Mr Aitken welcomed Mr Kitching as a director of Bluemel, particularly for his expertise in "what the market wants."

The rights issue, at 11p per share, will raise £1.46m net of expenses. Bluemel shares closed yesterday at 17p, valuing the existing share capital at £1.55m.

Mandarin Resources, a Hong Kong investment company which holds a 21.46 per cent stake in Bluemel, will take up its rights in respect of its 1.95m shares.

Mandarin Resources, of which Mr Aitken is deputy chairman, invests mainly in the Pacific basin area and is rapidly accumulating holdings in a number of companies, including an electrical appliance company in Thailand.

Bluemel and Mandarin both pay Jenks & Cattell, of which Mr Aitken is also chairman, for the provision of management services. A 14.8 per cent stake in Mandarin is held by Jenks & Cattell, a Wolverhampton-based maker of systems, buildings, garden tools and other products.

Debenhams and Comcap plan microcomputer deal

DEBENHAMS has announced plans to develop microcomputer business in its stores by setting up a joint company with Comcap, a company specialising in computer leasing and distribution.

Mr Robert Thornton, the chairman of Debenhams, said yesterday at the annual general meeting that the two companies had reached a tentative agreement and added after the meeting that they would complete arrangements within the next two months.

Debenhams currently markets microcomputers for small businesses mainly through specialist departments in some of its larger stores.

Mr Thornton forecast sales of £160m this year for the recently-formed joint venture with Mr Phil Harris' Harris Queensway in furniture, carpeting, and electrical operations. Furniture and carpet sales look set to contribute £85m, and television and video group £75m.

Mr Thornton told the AGM that sales at the company's High Street outlets were now running "encouragingly ahead of last year" after a slight drop in May. The company produced a pre-tax profit of £32.6m for the year ending January 28 1984, compared to £19.6m the previous year.

Leech rejects improved offer from Beazer

William Leech, the Newcastle-based housebuilding group, yesterday responded in detail to the revised £21.75m cash or equity offer from C. H. Beazer.

Although the board of the William Leech Foundation, which controls 29.7 per cent of the housebuilding group, is not expected to meet to consider their verdict until next week, Mr William Leech has apparently stated that he is not in favour of this offer and he has the power of veto. Shares in Leech fell 2p yesterday to 137p although the group asserted that it is "recovering strongly."

"Beazer's offer," Leech added, "if we are inclined to be charitable for a moment, might be a fair reflection of Leech two years ago" (when profits were barely over £400,000).

Leech has already said that its profits for the year which ends next month will reach £2.2m before tax on turnover of £61m. Its dividends will increase by 60 per cent to total 4p per share while net asset backing of 238p per share on the latest land bank revaluation shows a 60 per cent premium on Beazer's final 145p per share cash bid.

In the fortnight before Beazer's final offer lapses on July 20, the bidder once again urged Leach shareholders yesterday to accept and take the 54 per cent uplift in capital values since the bidding started. "The current

ERIC wins control of Cambridge Petrol

Energy Recovery Investment Corporation (ERIC), a Luxembourg-registered company, yesterday claimed victory in a brief but bitter battle for control of Cambridge Petroleum Syndicate.

Mr Nicholas Cobbold, a former London stockbroker who is ERIC's chairman, said acceptances of its offer had been received from holders giving ERIC control of 57 per cent of Cambridge—including the 23 per cent stake it already held.

The offer was declared unconditional—its cash alternative closes today.

Mr Cobbold said that the overwhelming majority of Cambridge's accepting shareholders had opted for ERIC shares rather than cash, and that he had encountered opposition to the bid from only a handful of institutions.

ERIC offered one of its Luxembourg-quoted shares for two Cambridge—an offer which it valued at 449p per Cambridge share—or a cash alternative of 375p per Cambridge share.

Cambridge challenged the marketability of ERIC shares, produced a favourable royalty valuation and impugned the fitnes of ERIC's executives to manage Cambridge.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The Enterprise Oil saga and Mr Robert Maxwell's surprise bid for Mirror Group Newspapers shared the honours for excitement on the bids and deals scene this week.

Rio Tinto-Zinc, having had its application for 49 per cent of the 212m Enterprise shares offer for sale blocked by the Government and allowed to subscribe for only 10 per cent, launched the expected "dawn raid" immediately dealings commenced in Enterprise on Monday. RTZ's broker, Hoare Govett, offered 105p per share for 10m shares, the maximum 5 per cent allowed under City Code Rules, and followed up with a tender offer for a further 32m shares. If successful, the bid will increase RTZ's stake in Enterprise to 29.9 per cent.

The RTZ offer remains open until next Tuesday and gives underwriters of the unsuccessful Enterprise issue a chance to get out with a profit instead of the anticipated loss. Hard on the heels of RTZ's move, private insurance concern Norwich Union disclosed a holding of 21.2m shores in Enterprise, representing 10 per cent of the equity. Of these, 2.6m were taken up as part of the underwriting and the remainder acquired through market purchases.

Mr Robert Maxwell's latest effort to break into ownership of Fleet Street newspapers is via a Pergamon Press offer of not less than £80m for Mirror Group Newspapers. Parent concern Reed International immediately snubbed the offer stating that the interests of the Mirror Group Newspapers and its employees are best served by becoming an independent company with a wide spread of shareholders. Preparations for the Stock Exchange listing of MGN later this month will continue, although original City estimates of the flotation realising £100m have been scaled down to a £70m to £85m range. In spite of the lack of enthusiasm for his offer, Mr Maxwell remains fairly confident that it will eventually be accepted.

C. H. Beazer, the West country builder, returned with an increased and "final" offer for Newcastle-based housebuilder William Leech, valuing the latter at £21.8m. The revised terms are 145p per share cash, or five Beazer shares for every twelve Leech. Beazer's original bid was 123p per share cash which placed a £18.5m price tax on Leech. The latest offer, like the first, has been rejected as totally inadequate.

Guardian Royal Exchange made an agreed 55p per share cash offer for the 35.5 per cent not already owned of property concern Aquis Securities. The bid values Aquis at £13.8m and the company's directors, excluding the three who are also directors of GRE and took no part in the discussions, have accepted the offer in respect of their 4.2 per cent holding.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Aquis Securities	55*§	53	43††	13.82	Guardian Ryl Ex
Bishopsgate Tst	¶¶	196	187	¶¶	BPCC
Cambridge Pet	442§	380	376	19.94	Energy Recvry Inv
Castlefld (Klang)	£10.79†	£10	925	—	Hrrsn Mlyn Plants
Coleman Milne	60*	62	58	9.59	Midepsa
Comben	77*	74	56	44.19	Trafalgar House
Cope Allman	88½*	94	96	34.87	Midepsa
Copydex	200*	197	165	6.10	Beecham
De Vere Hotels	320*	308	307††	44.52	BET
Doranakande	361†	358	240	—	Hrrsn Mlyn Plants
Feoner (J. H.)	140§§	149	114	36.01	Hawker Siddeley
Grindlays	275*	260	165	181.95	ANZ
Halstead (J.)	99§§	77	78	13.47	British Syphon
Harrison Cowley	150‖	150	160	7.50	Saatchi & Saatchi
Holyrood	£75.61†	£72½	£50	—	Hrrsn Mlyn Plants
Initial	549‡‡§	500	404	176.90	BET
Jessel Toynbee	98½§§	99	98½	21.05	Mercantile House
Kinta Kellas	373†	368	475	—	Hrrsn Mlyn Plants
Kuala Selangor	689†	700	255	—	Hrrsn Mlyn Plants
Leech (Wm)	145*§	137	100	21.8	Beazer (C. H.)
Lincroft Kilgour	127§	113	106	4.57	Finlan (J.)
Macpherson (D.)	140*	138	109	25.35	Tikkurila V. Oy
Malaysia Rubber	349†	340	190	—	Hrrsn Mlyn Plants
Marshalls Unvrsl	60½	46	46	9.76	Grovebell
Midsummer Inns	215*	230	155	1.25	Switbland Leisure
Oil and Gas Production	63.3*§	63	55	15.0	M. Navy Officers Pension Fund
Priest Marians	450*§	540	575	0.37	Mr Simon Fussell
Sogomana	707†	675	520	—	Hrrsn Mlyn Plants
Sungei Bahru	328†	320	210	—	Hrrsn Mlyn Plants
Whatlings	112*	118	89	5.76	Marchwiel
Woodward (H.)	81	75	56	1.94	Bridgend Process

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 6/7/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Related to NAV to be determined. ‖‖ Loan stock.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Avana Group	Mar	17,340	(13,060)	30.1	(25.5)	9.38	(7.5)
Bardon Hill	Mar	3,720	(3,070)	29.8	(24.8)	6.0	(5.0)
Barget	Dec	1,260L	(401)	—	(—)	—	(—)
Belgrave Hldgs	Dec	34	(242)L	0.6	(—)	—	(—)
BET Omni Serv	Mar	8,420	(3,650)	25.3	(20.3)	9.0	(3.0)
Brit Int Serv	Feb	3,350	(2,700)	—	(—)	—	(—)
Celestion Ind	Mar	446	(610)L	2.4	(—)	1.0	(1.0)
Coorts Furnishers	Mar	6,970	(6,400)	16.9	(15.0)	4.7	(4.7)
Cullen's Stores	Feb	63	(198)	—	(—)	4.3	(4.3)
Evens of Leeds	Mar	4,300	(3,900)	7.1	(5.9)	3.0	(2.63)
Fitch Lovell	Apr	15,900	(12,600)	—	(—)	9.2	(8.0)
Fobel Intl	Dec	3,150	(3,???)	10.1	(8.3)	2.65	(2.4)
Frost, J. J. & D.	Dec	831	(358)†	10.1	(17.1)	4.0	(4.0)
GEC	Mar	671,000	(670,000)	14.2	(14.2)	3.46	(3.0)
Hollas Group	Mar	1,030	(1,310)	2.4	(2.4)	2.0	(2.0)
IC Gas	Mar	50,000	(38,500)	26.7	(22.9)	12.5	(10.6)
Inlasun	Mar	16,530	(14,530)	22.7	(24.3)	4.4	(4.0)
Isis Ind Ser	Mar	2,130	(948)	651.0	(446.0)	—	(—)
Jack Bourne End	Mar	408	(45)	19.8	(2.1)	10.0	(5.0)
Mrs Thmn & Ever	Mar	7,390	(6,765)	4.6	(4.8)	1.73	(1.55)
Meadow Farm Prd	Mar	621	(148)	—	(—)	1.25	(—)
McLeod Russel	Mar‡	7,510	(4,940)	—	(—)	3.5	(6.67)
Nnreros	Mar	33,050	(28,340)	19.6	(15.9)	7.5	(6.32)
Salvesen, Ch	Mar	25,230	(20,610)	—	(—)	—	(—)
S. & N. Breweries	Apr	56,200	(41,100)	13.5	(9.4)	5.37	(4.86)
Star Offshore	Mar	2,500	(2,049)	—	(—)	2.5	(2.5)
Stoddard Hldgs	Mar	76	(1,140)L	—	(—)	—	(—)
Sutcliffe Speak	Mar	45	(158)	0.5	(3.5)	—	(—)
Textured Jess	Apr	485	(308)	10.1	(7.1)	4.0	(4.0)
Toothill, R. W.	Mar	325	(292)	—	(—)	7.5	(7.0)
Unigate	Mar	57,100	(43,700)	—	(—)	7.5	(6.8)
Ward & Goldstone	Mar	2,890	(67)	16.9	(—)	5.0	(2.0)
Willaire Sys	Mar	64L	(247)L	—	(—)	—	(—)

Offers for sale, placings and introductions

Bush Radio—USM placing of 3.3m shares at 88p each.
Entertainment Production Services—USM offer for sale of 2m shares at 58p each.
Mayfair and City Properties—USM placing of 2.4m shares at 100p each.
Pacific Sales Organisation—USM offer for sale of 1.6m shares at 60p per share.
Sarasota—USM offer for sale of 5.87m shares at 132p per share.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Automated Secs	May	2,150	(1,510)	0.48	(0.4)
Bath & Portland	Apr	2,040	(163)	2.75	(2.5)
Burco Dean	Mar	768L	(269)L	0.1	(0.1)
Clyde Blowers	Feb	90L	(98)	—	(—)
DBE Tec Group	Mar	46	(309)	—	(—)
Glass Glover	Mar	651	(486)	1.38	(0.94)
Newman-Tonks	Apr	1,730	(1,370)	1.65	(1.65)
North Brit Steel	Apr	879	(773)	—	(0.36)
Oakwood Group	Mar	298L	(98)	—	(2.0)
SGB Group	Mar	3,470	(2,690)	2.3	(2.3)
Vantona Viyella	Mar	6,780	(3,390)	4.0	(3.0)
Wheway Watson	Mar	45L	(238)L	—	(—)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share, except where otherwise indicated. † For preceding nine months. ‡ Second interim. L Loss.

Rights Issues

Bluemel Brothers—To raise £1.46m through an eight for five rights issue at 11p per share.

Capital and Counties Properties—To raise £30.7m through a rights issue of convertible unsecured loan stock, 8½ per cent dated 1999-2004, on the basis of £2 of stock at par for every five shares held.

Hill Samuel—To raise £40.5m through a one for four rights issue at 235p per share.

Moss, Robert—To raise £2.58m through a one for five rights issue at 83p per share.

TR Energy—To raise £7.5m through a rights issue of 8 per cent convertible unsecured loan stock 1997-2001, on the basis of £1 of new stock for every three ordinary shares held at 80p

Scrip Issue

Jackson Bourne End—One for one.

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

AFTER THE ravages wrought by the Chancellor on smokers in the Budget, it will be interesting to hear the views expressed by tobacco giant Imperial Group with its interim figures (to end-April), due on Thursday. The figures themselves should be very health, since the Budget—which seems to have knocked 7-8 per cent off market volume initially—only affected the last six weeks of the reporting period.

Imperial has been pursuing a policy of increasing tobacco margins through price increases, even at the expense of market share, which may have slipped a couple of points to around 43 per cent in the period. On the brewing side, Courage should have enjoyed fairly good volume, and the food division will have benefited from rationalisation in the Ross and Youngs frozen food subsidiaries. The one disappointment should yet again be HoJo in the U.S.—though very little profit would be expected in the seasonally weak first half anyway. Analysts expect group pre-tax profits of £95-97m, against £79. 1m last time.

With all the excitement over the proposed merger with British Aerospace behind it, Thorn EMI, the unsuccessful suitor, comes down to earth on Thursday when it announces plain old preliminary results. Bid speculation apart, analysts will also want to know the extent of the expected slowdown of growth in the second half. The previous comparable period's buoyancy and this year's strong first half—profits more than doubled to £55.8m—will be difficult to match given that consumer spending, particularly on domestic appliances and electronic goods, has slowed. The rental business looks as if it could have peaked but investment in the home entertainments (video software) should be paying handsome dividends. Taking into account all the swings and roundabouts across the group, analysts are generally agreed that the full-year out-turn will show a pre-tax profits increase from £122m to about £158m.

It is still too early for the new management at Rank Organisation to have had any major impact on the profit and loss account, but analysts will however be looking closely at next Thursday's interim announcement for signs, at least, that the regeneration strategy is now firmly in place. So far the knife has been used firmly and widely only on obvious candidates, cutting out loss-makers in the UK, the U.S. and Australia. The AGM statement was bullish, revealing an advance in the trading performance of the managed companies and reinforcement of the earlier signs that the associates will also make progress. This suggests that the key Rank Xerox copier business is at last responding to treatment, although these first-half results should still be flat. But buoyed up by the leisure interests and the London hotels business, these pre-tax profits should ring up at least £40m against £36.3m last time.

The real-life story at Associated Newspapers is how hard everything else has to work to offset the losses of the Mail on Sunday. At the latest count in March, its circulation was 1.65m copies, against the break-even target of 2m to 2.2m. The impact on the group's interim results for the period to the end of March will however not be disclosed since the directors are less interested in making shock revelations than some of the journalists. Overall, City analysts are predicting an increase in group pre-tax profits from £7m to about £8.5m. The Daily Mail has battled its way through the bingo wars with its cover price unchanged at 18p for nearly two years to successfully maintain circulation. The provincials remain the rockbed of publishing profits, boosted this time by a healthy increase in advertising revenue, particularly in rural areas where the group is strong. Oil revenues should be up with the flow from the Duncan North Sea field coming on stream to make up for the declining output from Argyll. Among Associated's other myriad interests, the consolidation of the U.S. 13-30 magazine publishing group will give a fillip to pre-tax profits but will also increase minority interests.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Batleys of Yorkshire	Monday	0.5	1.2	0.5
Birmingham Mint	Tuesday	3.0	7.5	3.0
Brengreen Holdings	Wednesday	0.45	0.55	0.7
Broomgrove Castings Machining	Thursday	0.75	1.5	0.75
Bulmer, H. P.	Wednesday	9.8	2.24	2.24
Cardo Engineering Group	Monday	1.3	3.25	2.6
Crown House	Thursday	2.25	3.5	2.5
Daejan Holdings	Wednesday	1.925	3.825	2.875
Diamond Stylus	Tuesday	—	0.455	—
Fleming Overseas Investment Trust	Tuesday	3.0	4.0	3.0
Fuller, Smith and Turner	Tuesday	4.0	6.0	2.0
Greycoat City Offices	Thursday	0.5	0.65	0.6
Harris, Philip (Holdings)	Thursday	2.0	4.75	2.0
Jones, Stroud, (Holdings)	Thursday	2.0	3.5	2.5
Joseph, Leopold (Holdings)	Wednesday	1.875	9.375	1.875
Lennons Group	Friday	0.25	0.8	0.3
Lloyd, F. H. Holdings	Tuesday	—	1.0	—
Magnet and Southerns	Wednesday	1.7	2.2	2.0
Marling Industries	Tuesday	0.47	0.61	0.52
May and Hassell	Monday	1.3	2.5	1.6
Mebon	Tuesday	—	—	—
Mitchell Sombre	Thursday	1.5	1.75	1.6
Monk, A. and Co.	Monday	1.5	4.5	2.0
Moorgate Investment Trust	Wednesday	2.75	6.06	3.25
Murray Northern Investment Trust	Tuesday	0.6	1.4	0.6
Murray Technology Investments	Tuesday	—	0.75	—
Ransom, William and Son	Wednesday	1.5	5.0	1.5
Ratners (Jewellers)	Thursday	0.67	1.63	0.67
Rotaprint	Wednesday	—	0.1	—
Stroud, Riley Drummond	Tuesday	0.75	1.5	0.75
Tex Abrasives	Wednesday	0.75	2.5	0.75
Thorn EMI	Thursday	4.05	11.7	5.0
Time Products	Tuesday	0.45	0.675	—
Watson, R. Kelvin	Monday	1.3	2.7	1.3
Wintrust	Monday	0.1	2.6	0.1
INTERIM DIVIDENDS				
Anglo-American Securities Corpn.	Thursday	1.5	3.85	
Associated Newspapers Holdings	Thursday	4.5	7.5	
Bett Brothers	Tuesday	1.0	1.65	
Bio-Isolates (Holdings)	Monday	—	—	
Birmid Qualcast	Thursday	0.53	2.0	
Dew, George	Thursday	2.3	3.4	
General Consolidated Investment Trust	Wednesday	2.4	5.25	
Gorring Kerr	Tuesday	—	3.25	
Imperial Group	Thursday	2.75	5.05	
Kershaw, A.	Thursday	4.0	11.0	
Rank Organisation	Thursday	4.0	6.0	
Rank Precision Industries (Holdings)	Thursday	—	—	
Securigard Group	Monday	—	0.875	
Southern Business Leasing	Wednesday	—	1.25	
St. Andrew Trust	Friday	2.5	4.2	
Taca	Wednesday	1.0	2.0	
Tribune Investment Trust	Thursday	0.5	1.375	
Webber Electro Components	Monday	0.375	0.375	
Yeoman Investment Trust	Thursday	2.5	5.2	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

Major cuts in operations and workforce at Atari

BY LOUISE KEHOE IN SAN FRANCISCO

MR JACK TRAMIEL, the new owner of Atari, has begun a major reduction of the workforce at the Sunnyvale, California-based video game and home computer company. The new "leaner and meaner" Atari is expected to concentrate its efforts on home computers and to drop out of the video game business over the next six months.

Mr Tramiel's strategy, according to sources close to the company, will be to sell current stocks at dramatically reduced prices and then focus on the low end of the home computer market. Under Mr Tramiel, who paid $240m in paper to Warner Communications for Atari, the company is expected to reduce the retail price of its best selling 800 XL home computer from $250 to around $150. This will place Atari in direct competition with Commodore International, the company founded by Mr Tramiel.

By next year, Atari is expected to offer a higher performance home computer designed to compete with Apple Computers' Aple II. Mr Tramiel is also said to have plans for a product similar to Apple's new Macintosh personal computer.

The company said yesterday that "several hundred" of its 1,100 Californian employees would be laid off this week. The lay-offs come as no surprise, as Mr Tramiel is well known for his budget-conscious management style, and also has a reputation for making swift decisions. Asked to describe Mr Tramiel's approach a long time colleague said: "Most people, when they fire someone, give the person two or three months notice. Jack gives them two or three minutes."

Several Atari employees said they had been told that only about 200 people would be working for the company in California by the end of next week. During its heyday at the height of the video game boom, Atari employed 6,00 people in Silicon Valley. That number has gradually decreased since 1982 with 1,000 people laid off by Atari's previous management last month.

Former employees at Atari said virtually all marketing, sales research and development positions had been eliminated. Mr Tramiel is trying to revive a "start-up mentality at Atari" said the company.

In addition, Atari announced yesterday that it has closed its factory in El Paso, Texas, where 300 people were employed. Manufacturing of the video game cartridges produced at the plant will be moved to Taiwan, said Atari.

Touche Ross may lose more BBM audits

By Wong Sulong in Kuala Lumpur

BANK BUMIPUTRA Malaysian (BBM) is expected to replace Touche Ross as auditors of its overseas branches following the serious disagreements over the accounts of Bumiputra Malaysia Finance (BMF), the bank's troubled Hong Kong subsidiary.

A senior BBM official, who declined to be named said: "After what they (Touche Ross) had said about us. I don't think we can have them as our auditors."

It is not know whether or not such a move would effect the position of Hanafiah Raslan Mohamed, the auditors for BBM. Hanafiah are the largest Bumiputra (indigenous Malays) firm of accountants in Malaysia but they are also affiliates of Touche Ross International.

BBM, which is Malaysia's biggest bank and is state-owned, is particularly angered by the adverse comments made on the bank's financial standing and its ability to live up to pledges that it would guarantee the liabilities and financial obligations of BMF.

The bank has seven overseas offices, and Touche Ross is auditor for six of them—in London, New York, Los Angeles, Tokyo, Singapore and Jakarta.

BMF itself has already dismissed Touche Ross as its auditor after it made serious qualifications to BMF's 1983 accounts.

BMF has appointed Huges and Company as its new auditor.

Meanwhile, Mr Lim Kit Siang, the Malaysian opposition leader, has spoken out in support of Touche Ross. He said the auditing firm should be represented on the commission of inquiry set up by the Government to investigate into BMF's loans to Hong Kong property companies, estimated to be around U.S.$ 850m.

Castlemaine Tooheys bids A$300m for Nicholas Kiwi

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AN OFFER worth A$300m (US$255m) has been made by Castlemaine Tooheys, the Australian beer maker in which Britain's Allied Breweries holds 20.9 per cent, for Nicholas Kiwi, the Australian-based Aspro to Kiwi shoe polish group.

Nicholas Kiwi's directors have rejected the offer as "totally unrealistic." The offer is one Castlemaine Tooheys share plus A$3.75 cash for every two Nicholas Kiwi shares, or A$4 cash for one.

The stock market would not be surprised if there was to be a counter offer, though any bidder would have to court the private family interests which control an estimated 45 per cent of Nicholas Kiwi's capital.

Mr Lloyd Zampatti, managing director of Castlemaine Tooheys, said Allied Breweries was aware that its stake in the brewer would be diluted to about 16 per cent if all the Nicholas Kiwi shareholders accepted Castlemaine's cash and share offer. He said he had no fears that the offer would transgress the Foreign Investment Review Board's policy.

Nicholas Kiwi said that the bid failed to recognise the benefits of the 1981 merger between the Nicholas and Kiwi groups, and came at a time when the enlarged group, which saw a net profits gain of 10.5 per cent, to A$10.5m, in its latest half year, was poised for fresh expansion.

Castlemaine Tooheys' main brand is Fourex beer. The merged group envisaged by the brewer would have a turnover of A$1.1m, and profits of about A$80m.

The brewer's offer is conditional on its gaining at least 50 per cent of Nicholas Kiwi.

Mr Brian Healey, group managing director and chief executive of Nicholas Kiwi, said his group was soundly placed and had almost no debt. He said the proposed merger offered no obvious synergies.

Heavy trade in gold futures in Singapore

By Chris Sherwell in Singapore

TRADING in Singapore's new gold futures contract yesterday far outstripped the brisk and bustling performance recorded on the first day on Thursday. A total of 1,463 lots were traded, up from Thursday's 838, which was itself two and a half times the expected volume.

The activity—a sharp contrast to the slackness of the previous gold contract—marks an important step towards the start of full financial futures trading on September 5.

When the brass bell sounded on Tuesday, the premises of the Singapore International Monetary Exchange (Simex) resounded to the buy and sell calls of the scarlet-coated traders. The seemingly chaotic "open outcry" system and the general excitement, maintained itself throughout both trading days.

"Its working," said an advisor from the Chicago Mercantile Exchange. "I'm proud of them," said one of the trainers who had put the traders through their paces for weeks in both Chicago and Singapore.

Even in the narrow range of US$0.70 on Thursday and US$2.30 yesterday, traders found plenty of room for business.

The new gold contract is the first of four futures contracts for Simex. The others are Eurodollar interest rates, the dollar-yen exchange rate and the dollar-D-mark exchange rate. Trading in these contracts has been delayed because of the need for U.S. aproval for the novel "mutual offset" link with Chicago.

Labour dispute costs Opel DM 2bn in lost sales

BY OUR FINANCIAL STAFF

OPEL, the West German subsidiary of General Motors, yesterday provided further evidence of the cost of the 50-day strike by the country's metalworkers by revealing that it had lost DM 2bn ($725m) in sales because of the dispute.

This follows the announcement by BMW, the West German car and motorcycle maker, that it will speed up the introduction of automation and defer plans to engage more workers in the wake of the crippling labour conflict.

Opel said 121,462 cars could not be built because of stilted assembly lines at its plants, equivalent to 12.6 per cent of its total 1983 production. Opel posted 1983 sales of about DM15bn, up from a 1982 total of DM12.7bn.

Opel was the only carmaker to be picketed directly by the IG Metall union. The action closed its German plants from May 21 to July 5, when work was resumed after a union settlement for a cut in the official workweek to 38.5 hours.

Opel admitted that prospects were poor for recouping at least part of the production outfall. The union-led works council still had to agree to a management request for extra shifts to fill part of the gap.

Meanwhile BMW has ended the first half of the year "without profit" after losing sales of DM1.7bn ($605m) during a seven-week shutdown.

Herr Eberhard von Kuenheim, chief executive, said BMW might make up some of the production losses of 60,000 cars and 5,000 motor-cycles in the course of the year and perhaps reach last year's production levels. But he could give no accurate forecast of profits in the rest of the year.

Increased deficit at Mitel

BY ROBERT GIBBENS IN MONTREAL

MITEL, the troubled Ottawa-based telecommunications equipment maker, posted a C$17.7m (U.S.$13.4m) loss for the first quarter ended May 25, against a loss of C$4.4m a year earlier, on revenues of C$71.7m against C$63m.

The company's poblems have stemmed from getting its SX-2000 digital switching system to market. Design changes have required major stock write-offs besides heavy development charges. Mr Donald Gibbs, executive vice-president, recently resigned, major management changes are under way and founder Michael Cowpland has reduced his interest significantly for personal reasons.

Total net loss last year was C$32.4m against a profit of C$14.7m a year earlier.

Mitel said it sees improving sales through fiscal 1985 and a return to profitability in the third and fourth quarters. Cuts in production and staffing in Canada and elsewhere have been largely completed and development costs will be lower.

Eurobond trader charged in Geneva

By Maggie Urry

MR PETER BUER, formerly the senior Eurobond trader at Bear, Stearns International, the London operation of the major U.S. securities house, has been charged in a Geneva court in connection with fraudulent trading. He had been dismissed by Bear, Stearns International last month after an internal audit revealed trading irregularities.

The cost to Bear, Stearns of the fraud is expected to be less than $3.3m. Another firm involved, UBS Securities in New York, part of Union Bank of Switzerland, has estimated its loss at less than $5m. Its head Eurobond trader, Mr Jurg Remund, has committed suicide.

Mr Terry Galgey, head of the small London securities firm, T. Galgey, said that his company had sustained losses as a result of certain transactions with Bear, Stearns International. He is considering what action to take to recover those losses.

As well as the court case, there is the possibility of the dispute going to arbitration under the Association of International Bond Dealers (AIBD) rules. The arbitrators' ultimate sanction is to expel a member.

General Mills reverse

BY WILLIAM HALL IN NEW YORK

GENERAL MILLS, the big U.S. consumer foods group, has reported a 5 per cent drop in its net income from $245.1m to $233.4m for the year to end-May—its first profits setback in several years

Fourth quarter profits dipped from $55.1m to $40.5m.

The group's consumer food operations increased their annual operating profits by 14 per cent to $273m on a 6 per cent sales gain to $2.7bn. This resulted from a combination of increased volume and market share.

However, the strong performance from the traditional side of General Mills business was offset by a weaker performance elsewhere in the group. Lower earnings from the Red Lobster Restaurants led to a 13 per cent drop to $70m at the group's restaurant operation. A substantial drop in profits in the group's video software operation resulted in a 31 per cent drop in toy profits to $72m and a setback in the IZOD apparel business resulted in a 3 6per cent decline in fashion group profits to $49m.

As a result of share repurchases the group's earnings per share for the year rose from $4.89 to $4.98.

Sales totalled $5.6bn against $5.5bn for the year and $1.36bn against $1.34bn for the latest quarter.

GM Canada in C$1bn expansion

BY BERNARD SIMON IN TORONTO

GENERAL MOTORS' Canadian subsidiary is to expand and modernise its Oshawa assembly plant, east of Toronto, at a cost of C$1bn (U.S.$758m), Mr John Smith, the company's president, said yesterday.

The investment, the largest ever made by a motor manufacturer in Canada, includes a new truck assembly line, a C$228m modernisation of metal stamping facilities and other projects required for GM's 1985 and 1986 models, including a new paint shop.

The Oshawa plant assembles Chevrolet and Pontiac cars, and manufactures parts for various other models assembled in the U.S. It supplies light duty trucks for North American and export markets.

The truck plant will be completed for production of 1987 models, and the high technology stamping facility including eight transfer presses, is due to be in operation by late 1987, Mr Smith said.

The Canadian Government is contributing C$22m towards the project. In addition, Mr Smith said that the investment was encouraged by GM Canada's recent return to profitability in the wake of the upturn in North American motor vehicle sales. The decline of the Canadian dollar and projections of steady growth in the Canadian motor vehicle market have probably also played a role in GM's decision.

General Motors Canada is the country's largest private sector company with revenues last year of C$13.8bn and about 43,000 employes. The company is wholly owned by General Motors of Detroit.

ECONOMIC DIARY

TOMORROW: Arab Council of Economic Unity opens three-day conference in Amman.

MONDAY: EEC Economics and Finance Ministers meet in Brussels. Producer price index numbers (June - provisional).

TUESDAY: Provisional estimates of monetary aggregates (mid-June). Provisional figures for vehicle production (June). London clearing banks' monthly statement (mid-June). National Health Service ancilary workers' pay talks. Opec conference in Vienna.

WEDNESDAY: Index of production and construction for Wales (first quarter). NUM national conference in Sheffield (until July 12). TUC economic committee meets. Liverpool City Council considers "bankruptcy" budget.

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	135	+1	6.3	4.6	7.9	10.3
158	117	Ass. Brit. Ind. CULS	145	+1	10.0	6.9	—	—
78	56	Airsprung Group	56	—	6.1	10.9	16.0	16.0
38	21	Armitage & Rhodes	35	—	1.4	4.0	—	—
330	141½	Bardon Hill	320	—	8.6	2.7	12.9	21.5
58	48	Bray Technologies	48	—	3.5	7.3	5.6	8.0
201	190	CCL Ordinary	190	—	12.0	6.3	—	—
152	121	CCL 11pc Conv. Pref.	140	—	15.7	11.2	—	—
540	100	Carborundum Abrasives	520	—	5.7	1.1	—	—
249	100	Cindico Group	103	—	—	—	—	—
69	45	Deborah Services	66	—	6.0	9.0	35.3	57.4
227	75	Frank Horsell	227	+1	—	—	9.5	15.7
205	75½	Frank Horsell Pr.Ord.87	205	−1	8.7	4.2	8.6	14.1
69	25	Frederick Parker	25	−1	4.3	17.2	—	—
39	32	George Blair	35	—	—	—	—	—
80	46	Ind. Precision Castings	47	—	7.3	15.5	13.0	16.2
2185	2150	Isis Ord.	2175	−5	150.0	6.9	—	—
365	134	Isis Conv. Pref.	340	—	15.7	4.6	—	—
124	81	Jackson Group	109	—	4.9	4.5	5.0	9.7
255	168	James Burrough	247	−1	13.7	5.5	8.8	8.2
145	100	Linguaphone Ord.	145	+3	—	—	—	—
100	100	Linguaphone 10.5pc Pf	100	—	15.0	15.0	—	—
425	275	Minihouse Holding NV	420	—	3.2	0.5	30.2	32.1
176	76	Robert Jenkins	76	−2	20.0	26.3	8.8	5.9
74	49	Scruttons "A"	45xd	—	5.7	11.5	25.8	8.0
120	61	Torday & Carlisle	79	−1	—	—	8.5	18.0
444	385	Travian Holdings	432	—	—	—	2.8	8.0
26	17	Unilock Holdings	20	—	1.0	5.0	11.4	16.0
92	65	Walter Alexander	83	—	6.8	8.2	6.3	9.7
276	236	W. S. Yeates	245	—	17.1	7.0	5.9	11.7

Lower on employment figures

STOCK PRICES were significantly lower on Wall Street yesterday, when investors reacted to smaller than expected June unemployment figures, analysts said.

By 1 pm the Dow Jones Industrial Average was off 8.39 to 1,116.17, making a loss of 16.25 on the holiday shortened week, while the NYSE All Common Index, at $87.60, shed 57 cents on the day and 76 cents on the week. Declines led advances by more than two-to-one on a volume of 51.26m shares.

One analyst said "we are being clobbered by the unemployment numbers, add June retail sales figures and it equals an economy which is not cooling of its own volition."

He expressed concern that if the Federal Reserve Board intervenes to help slow the rate of economic growth, higher interest rates will result.

Some analysts are looking for the market to settle near 1,100 in the next week, with 1,087 a possible closing low, a point the market has not seen since February 1983.

Transco Energy led the most active list at $52¾, up $1½ — it plans to augment its cash dividend with partnership units.

Pan American, showing a rise in its June load factor, shed $⅛ to $4⅞ in active trading.

U.S. Steel were off $1⅛ at $22⅞. It confirmed that it sold its closed Johnstown, PA. plant to former employees.

Enstar lost $¼ to $13¾ — it sold dissident shareholder Roy their proxy contest with management. Huffington and his group won ment at the reconvened annual meeting.

ABC, trading actively early in the day, rose $¾ to $64½ — it has a comprehensive agreement giving Telepictures Corp exclusive rights to news reports by five ABC TV stations.

General Mills held unchanged at $54½ — it expects 1985 earnings to exceed fiscal 1984's $4.98 a share.

THE AMERICAN SE Market Value Index shed 1.27 to 196.80, making a loss of 3.28 on the week. Volume 3.32m shares.

CANADA

A continuing steep decline by Golds held stocks lower at mid-session, when the Toronto Composite Index dropped 11.5 to 2201.6.

The Gold Share Index lost 9.8 to 3344.8, Metals and Minerals 10.6 to 1809.3 and Oil and Gas 25.7 to 3130.2.

Dome Petroleum dropped another 11 cents to $2.65 — it has steadily lost ground since the annual meeting last week, down from $4.55 earlier this year.

TOKYO

Higher in moderate trading as persistent selective buying in "small" and "medium"-sized issues more than offset liquidation in Blue Chips and "Populars."

The *Nikkei-Dow Average* rose 41.34 to 10,461.91, after rising 44.73 on Thursday, on a volume of 450m (same) shares.

The yen's renewed decline against the dollar here yesterday afternoon and a post-holiday dip on Wall Street had no major effect on the market.

Many shares opened lower following the overnight fall on Wall Street. But prices gained solid ground, led by "low-priced," incentive-backed shares.

Fats and Oils rose, reflecting a rise in the Edible Oil price here due to a short supply. Hohnen Oil were up Y12 at 339 and Nisshin Oil Mills Y13 at 483.

Trio Kenwood rose Y10 to 475 —it will pay a Y5 dividend for the year ended May 20, after two years of no dividend payment.

Kuraray, which lost Y38 on Thursday because of its higher margin trading control, briefly rose Y40 before closing up Y2 at 541.

Non-Ferrous Metals rebounded on bargain hunting, with Sumitomo Metal Mining Y50 up at 1,650 and Mitsui Mining and Smelting Y23 at 358.

Drugs, Chemicals, Textiles and Steels also closed higher.

International "Populars" were generally lower following an overnight fall on Wall Street.

The weaker yen lowered prices of Oil Refiners.

Investors generally reacted calmly to a report that a Liberian-registered tanker, chartered by Japan Line, was hit in an air strike in the Gulf. Most Shipping Lines finished unchanged, but Japan Line lost Y2 to 123.

GERMANY

Easier in moderate trading as the markets remained depressed. Operators were not prepared to take up holdings, and dealers were forced to drop price levels.

Dealers said Thursday's news that the strike by Engineering and Metalworker's Union IG Metall had affected BMW's first half earnings continued to overshadow markets.

The end of the strike, and news a compromise has been found in the 13-week-old printing strike, has failed to aid stocks here with interest rates in the U.S. holding firm and the dollar rising to over DM 2.83, they added.

Some car issues, which saw losses of as much as DM 24.50 Thursday before a late recovery, continued their decline yesterday. BMW, ex a DM 12 dividend, ended just DM 6 down at 368 and above its day's low of 362.

Tyremaker Conti-Gummi shed DM 0.90 to 121.6, despite news of 6.6 per cent higher turnover in the first five months of 1984.

In Metals, Degussa lost DM 5.5 to 375.5 and Metallgesellschaft DM 2 to 219 after reports that the OK Tedi Mine in Papua, New Guinea, where each have a 7.5 per cent stake, was closed temporarily.

PARIS

Easier in active trading, depressed by Wall Street's weaker close Thursday.

The easier sentiment on Wall Street offset the firming influence of a firm dollar against the franc and a ¼ point drop in daily French Call Money to 11¼ per cent.

Banks, Financials, Foods, Motors, Rubbers, Oils, Chemicals and Transports were all easier, while Shops, Electronics and Metals slightly weaker.

In Foods, Beghin-Say were down Frs 8 at 261, Bongrain Frs 25 at 1,770 and BSN Frs 51 at 2,660.

Among Foreign shares, Americans and Oils were weaker, while West Germans, Dutch and Japanese were slightly easier.

AUSTRALIA

Easier under selling pressure following a sharply lower international bullion price and a weaker Wall Street.

The All Ordinaries Index was down 7.5 at 668.0, the All Industrials Index 2.0 at 939.8 and the All Resources Index 11.2 at 435.9.

National turnover was 30.94m shares, worth $A37.16m. Falls outnumbered rises by 198-to-126, with 238 issues unchanged.

Golds fell sharply, with GMK dropping 66 cents to $A7.20 and Whim Creek 25 cents to $A3.00, while 30-cent falls took Central Norseman to $A5.90, Nianqini Mining to $A4.50 and Poseidon to $A3.30.

Elsewhere in the Metals group, Aberfoyle and Western Mining each lost 20 cents to $A5.60 and $A2.98 respectively.

Among Oils, Santos shed 16 cents to $A5.74 and Bridge 10 cents to $A2.25.

Banks were weaker, with ANZ off 10 cents at $A4.75.

Merchants and Agents were mixed.

Nicholas Kiwi were bid 7 cents higher to $A4.12 on speculation that Castlemaine Tooheys, off 5 cents at $A4.35, which launched a takeover bid for the group Thursday, will have to increase its offer. Castlemaine Tooheys is offering $A3.75 and one of its own shares for every two Nicholas Kiwi shares, or a straight $A4 cash for each share. But Nicholas Kiwi rejected the bid as "totally inadequate."

SINGAPORE

Prices slipped marginally, posting their first across-the-board decline in more than a week. Wall Street's overnight slump caused initial pessimism in Singapore, which intensified during the day.

The Straits Times Index shed 2.72 to 903.23, while the All-Shares Index eased 1.07 to 328.11.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK

	Industrial P E ratio	Long Gov. Bond yield
June 27	10.75	13.60
June 20	10.90	13.51
June 13	10.77	13.54
year ago (approx.)	14.61	11.02

N.Y.S.E. ALL COMMON

July 3	July 2	June 29	June 28	1984 High	1984 Low
88.62	88.33	88.38	89.19	97.71 (6/1)	86.17 (15/6)

Rises and Falls

	July 3	July 2	June 29
Issues Traded	1,930	1,952	1,934
Rises	820	622	891
Falls	644	902	629
Unchanged	472	428	414
New Highs	15	(u)	15
New Lows	68	(u)	54

TORONTO

	July 4	July 3	July 2	June 29	1984 High	1984 Low
Metals & Minls.	1821.6	1836.5	(c)	1862.4	2524.4 (12/1)	1864.0 (28/6)
Composite	2218.1	2220.6	(c)	2228.9	2585.7 (6/1)	2187.8 (24/5)
MONTREAL Portfolio	108.11	108.27	(c)	100.13	127.85 (10/1)	106.34 (24/5)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Std. Oil Ind.	1,596,000	57½	+ ½
S. C. El. Gas	1,056,600	12¾	+ ¼
Petrolane	920,600	19½	—
U.S. Steel	813,600	23⅝	− ⅛
Diam. Sham.	651,500	18⅛	+ ⅛
Boeing	651,100	44⅞	+1⅛
Whittaker	635,600	19¾	+ ½
Warner Com.	629,600	20	−2⅛
Carnation	596,600	64⅞	+1⅝
Fin. Cp. Am.	576,500	11⅞	+ ⅞

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling weak

Sterling recovered from record trading lows set early in the day but still finished at a record closing low against the dollar. Its recovery from lower levels was inspired by a ½ point rise in UK clearing bank base rates to 10 per cent and intervention by the Bank of England although the extent of the latter was probably confined to a smoothing operation and was not seen as being an aggressive attempt to halt sterling's decline.

The fall to record levels was due mostly to the dollar's continued appreciation but sterling also showed a genuine weakness against other currencies before recovering later in the day. The size of the increase in base rates reflected a recent rise in inter-bank rates but much of the market expressed fears that yesterday's upward adjustment was probably inadequate and left the market with little clear indication as to how higher UK rates may have to rise in order to reflect sterling's recent fall. The pound's trade weighted index opened at 77.4 down from 78.3 on Thursday and was around its lowest level ever. The rate recovered at noon to 77.9 where it closed.

Against the dollar it finished at $1.3175 from $1.3180 on Thursday but well up from a record trading low of $1.3095. Against the D-mark it eased to DM 3.7350 from DM 3.7390 but improved against the Swiss franc to SwFr 3.1425 from SwFr 3.1280. It was also higher against the yen at Y317.50 from Y316.65 and FFr 11.46 compared with FFr 11.4385.

Fears of higher U.S. interest rates provided sufficient impetus to push the dollar to a record high according to its Bank of England index which closed at 135.8 up from 135.7 on Thursday. Against the D-mark it finished at DM 2.8375 from DM 2.8285 and SwFr 2.3875 from SwFr 2.3735. It was also firmer in terms of the yen at Y241.20 compared with Y240.25 and FFr 8.7055 against FFr 8.6795.

£ in New York (latest)

	July 6	Prev. close
Spot	$1.3160-3170	$1.3130-3140
1 month	0.15-0.18 dis	0.26-0.28 dis
3 months	0.65-0.68 dis	0.85-0.89 dis
12 months	3.25-3.35 dis	3.45-3.55 dis

£ forward rates are quoted in U.S. cents discount. * New York closed

THE POUND SPOT AND FORWARD

July 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3095-1.3280	1.3170-1.3180	0.14-0.19c dis	−1.50	0.62-0.67dis	−1.96
Canada	1.7400-1.7540	1.7440-1.7450	0.22-0.34c dis	−1.93	0.97-1.10dis	−2.37
Nethlnd.	4.18-4.23½	4.21-4.22	1½-1c pm	3.38	4-3½ pm	3.56
Belgium	75.30-76.30	75.85-75.95	9-15c dis	−1.90	25-35 dis	−1.58
Denmark	13.59-13.70	13.68-13.69	0.33-1.55ore dis	−0.82	1.15-2.35dis	−0.51
Ireland	1.2125-1.2270	1.2210-1.2220	0.09-0.21p dis	−1.42	0.47-0.65dis	−1.83
W. Ger.	3.70½-3.75½	3.73-3.74	1½-1¼pf pm	4.02	3¾-3½ pm	3.88
Portugal	193.80-197.75	194.60-195.10	35-170c dis	−6.31	115-525 dis	−6.57
Spain	211.00-212.80	211.20-211.40	75-100c dis	−4.97	225-275 dis	−4.73
Italy	2,279-2,307¼	2,281½-2,283½	9-12 lire dis	−5.50	31-34 dis	−5.67
Norway	10.68-10.75½	10.71¾-10.72¾	1.60-2.70ore dis	−2.41	5.85-5.90dis	−2.38
France	11.38½-11.52½	11.45½-11.46½	1¾-2½c dis	−2.22	6½-7½ dis	−2.44
Sweden	10.86½-10.94½	10.89-10.90	2.05-3.15ore dis	−2.86	7.15-8.25dis	−2.83
Japan	315½-319¼	317-318	1.21-1.06y pm	4.29	3.40-3.22 pm	4.17
Austria	26.03-26.28	26.10-26.15	6½-5½gro pm	2.78	18¼-15¾ pm	2.63
Switz.	3.11½-3.15¼	3.13¾-3.14¾	1½-1¼c pm	5.25	4¼-3⅞ pm	5.17

Belgian rate is for convertible francs. Financial franc 76.65-76.75. Six-month forward dollar 1.39-1.49c dis, 12-month 3.15-3.30c dis.

THE DOLLAR SPOT AND FORWARD

July 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3095-1.3280	1.3170-1.3180	0.14-0.19c dis	−1.50	0.62-0.67dis	−1.96
Ireland†	1.0770-1.0835	1.0775-1.0785	0.02c pm-0.03 dis	−0.05	0.04pm-0.06d	−0.04
Canada	1.3245-1.3275	1.3265-1.3270	0.03-0.05c dis	−0.36	0.11-0.14dis	−0.38
Nethlnd.	3.1895-3.2020	3.2000-3.2020	1.58-1.55c pm	5.88	4.72-4.69 pm	5.90
Belgium	57.40-57.68	57.63-57.68	3½-2c pm	0.57	12-10 pm	0.77
Denmark	10.35-10.40	10.39¼-10.39¾	0.85-0.35ore pm	0.69	4.00-3.50 pm	1.44
W. Ger.	2.8235-2.8400	2.8370-2.8380	1.54-1.49pf pm	6.42	4.54-4.49 pm	6.38
Portugal	148.00-149.00	148.00-149.00	par-100c dis	−4.04	par-300dis	−4.04
Spain	160.40-161.15	161.05-161.15	30-45c dis	−2.80	95-125 dis	−2.74
Italy	1,735½-1,742	1,741-1,742	4¾-5¼ lire dis	−3.45	13¾-14¾ dis	−3.28
Norway	8.12½-8.15	8.14½-8.14¾	0.35-0.85ore dis	−0.88	0.80-1.10dis	−0.42
France	8.6680-8.7080	8.7030-8.7080	0.10c pm-par	0.07	0.50 pm-par	0.11
Sweden	8.26½-8.28	8.27¼-8.27¾	0.70-1.20ore dis	−1.38	1.55-2.05dis	−0.87
Japan	240.35-241.25	241.15-241.25	1.23-1.19y pm	6.02	3.70-3.65 pm	6.10
Austria	19.82-19.86	19.85-19.86	8.90-8.40gro pm	5.23	27-25 pm	5.24
Switz.	2.3735-2.3880	2.3870-2.3880	1.50-1.46c pm	7.46	4.57-4.53 pm	7.65

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.18-58.23.

OTHER CURRENCIES

July 6	£	$		£ Note Rates
Argentina Peso	69.68-69.82	52.77-58.83	Austria	20.10-25.40
Australia Dollar	1.5605-1.5635	1.1865-1.1850	Belgium	76.40-77.20
Brazil Cruzeiro	2,301.8-8,317.9	1,743-1,754	Denmark	13.03-13.77
Finland Markka	7.8735-7.9060	5.9800-5.9850	France	11.44-11.56
Greek Drachma	145.00-140.40	111.60-111.60	Germany	3.71¾-3.74¾
Hong Kong Dollar	10.35½-10.50½	7.87-7.97	Italy	8860-8890
Iran Rial	180.50*	89.50*	Japan	315-380
Kuwait Dinar (KD)	0.3943-0.3950	0.2984-0.29865	Netherlands	4.19¼-4.23¼
Luxembourg Fr	75.85-75.95	57.63-57.68	Norway	10.72-10.83
Malaysia Dollar	3.0600-3.0660	2.3258-2.3260	Portugal	180-800
New Zealand Dlr	2.1100-2.1150	1.6005-1.6030	Spain	211½-214½
Saudi Arab Riyal	4.6395-4.6450	3.5100-3.5120	Sweden	10.88-11.00
Singapore Dollar	2.8210-2.8270	2.1430-2.1445	Switzerland	3.13½-3.15½
Sth African Rand	1.9650-1.8600	1.4650-1.4870	United States	1.31-1.33
U.A.E. Dirham	4.8625-4.8575	3.6720-3.6750	Yugoslavia	185-182

* Selling rates.

EXCHANGE CROSS RATES

July 6	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.318	3.735	317.6	11.46	6.143	4.215	2323.	1.745	75.90
U.S. Dollar	0.758	1.	2.833	241.2	8.706	2.388	3.201	1742.	1.327	57.66
Deutschemark	0.268	0.353	1.	85.01	3.068	0.841	1.128	613.8	0.467	20.38
Japanese Yen 1,000	3.150	4.160	11.70	1000.	36.08	9.868	13.28	7220.	6.494	239.1
French Franc 10	0.873	1.160	3.256	277.1	10.	2.742	3.678	2000.	1.028	66.23
Swiss Franc	0.618	0.419	1.186	101.0	3.647	1.	1.341	728.5	0.555	24.13
Dutch Guilder	0.237	0.313	0.886	75.33	2.718	0.746	1.	543.8	0.414	18.01
Italian Lira 1,000	0.434	0.575	1.629	138.5	4.999	1.371	1.838	1000.	0.761	33.11
Canadian Dollar	0.573	0.765	2.141	182.0	6.568	1.801	2.410	1314.	1.	45.51
Belgian Franc 100	1.318	1.738	4.921	418.3	15.10	4.140	5.553	3020.	2.208	100.

MONEY MARKETS

Firmer rates

The Bank of England increased its money market dealing rates yesterday in response to a ½ per cent rise in UK clearing bank base rates to 10 per cent. Dealing rates were increased in all four bands to 10 per cent, indicating both a sharper rise in the short term rates and a move to above the new base rate level, given that a discount rate of 10 per cent yields something nearer 10½ per cent. As to how much of yesterday's adjustment accommodates the possibility of a further rise in base rates remains to be seen.

Weekend interbank money opened at 9-9½ per cent and eased to 8 per cent before coming back to touch a high of 12 per cent. Rates eased in the afternoon to a low of 5 per cent but recovered again to finish nearer 10 per cent. Three-month interbank money traded between 9⅞ per cent and 10⅛ per cent compared with a rate on Thursday of 9⅞-9⅞ per cent. Three-month eligible bank bills were bid at 10 per cent up from 9⅞ per cent previously.

UK clearing banks' base lending rate 10 per cent (since July 9)

The Bank of England forecast a shortage of around £500m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £230m and a rise in the note circulation a further £240m. In addition banks brought forward balances £50m below target. On the other hand Exchequer transactions added £25m.

The forecast was later revised to a shortage of around £550m and the bank gave assistance in the morning of £25m. This comprised purchases of £8m of eligible bank bills in band 3 (34-63 days) at 10 per cent and £17m in band 4 (64-91 days) at 10 per cent. Assistance in the afternoon comprised purchases of £17m of eligible bank bills in band 2 (15-33 days) at 10 per cent and £26m in band 3 at 10 per cent. In band 4 it bought £174m of eligible bank bills at 10 per cent.

The bank took the unique step of offering further assistance later in the day through purchases of £322m of eligible bank bills, £42m in band 1 (up to 14 days), £228m in band 2 and £52m in band 4 all at 10 per cent and making a total for the day of £564m.

LONDON MONEY RATES — **Discount Houses Deposit and Bill Rates**

July 6 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	6-12	8¾-8⅞	8¼-8¾	6-9	—	—	—	—	—
2 days notice	—	—	9-10	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	8⅞-10	9⅞-10	9⅛	8¾-8	—	—	—	—	—
One month	10⅛-10⅛	8¼-10⅛	10⅛	9⅞	9¼-9¾	10	9¾	10	9⅞	10⅜
Two months	10⅛-10⅛	9½-10⅛	10⅛	10⅛	9⅝-9¾	10	9¾	10⅛	9⅞	10⅛
Three months	10⅛-10¼	9⅞-10⅛	10⅛	10⅛	9½-9¾	10	9⅞	10	9⅞	10⅛
Six months	10⅜-10⅜	10¼-10⅛	10⅜	—	—	—	—	10⅛	9⅞	10⅜
Nine months	10⅝-10½	10⅝-10⅞	—	—	—	—	—	—	—	—
One year	10⅞-10⅝	10⅞-11⅛	11	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10⅛-10⅝	—	8⅞	11.75-11.65	8⅞-8⅞	9⅛-9¼
Two months	10¼-10½	—	8⅞	11.8-12.0	9⅞-10⅛	9⅛-8⅝
Three months	10¾-10½	—	9⅞	12.05-12.15	10-10⅛	9⅞-9½
Six months	11-10¾	—	10⅛	12.65-12.15	10⅛-10⅞	9⅞-10
Nine months	11⅛-11	—	10⅝	12.65-13.05	—	—
One year	11⅛-11	—	10⅞	13.4-13.6	11⅛-11⅛	10⅛-10½
Two years	—	11⅛	—	—	—	—
Three years	—	11⅜	—	—	—	—
Four years	—	11⅞	—	—	—	—
Five years	—	12	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV. Average Rate of Interest period June 6 to July 3 1984 (inclusive): 9.468 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9½ per cent from July 1 1984. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rate for sums at seven days' notice 6½-6¾ per cent. Treasury Bills: Average tender rate of discount 9.8082 per cent. Certificates of Tax Deposit (Series 8). Deposit of £100,000 and over held under one month 9¼ per cent; one-three months 9½ per cent; three-six months 10 per cent; six-nine months 10¼ per cent; nine-12 months 10¾ per cent. Under £100,000 8¾ per cent from July 5. Deposits held under Series 4-5 10¾ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. July 6)

Three months U.S. dollars	
bid 12 3/16	offer 12 5/16
Six months U.S. dollars	
bid 12 13/16	offer 12 15/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

July 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	10-10¼	11-11⅛	11⅛-11⅜	6-6⅛	3⅝-5⅞	5-5⅛	11-11¼	14½-15½	11-11½	10¾-11¼	5⅝-5⅞	12¾-16⅛
7 days' notice	10-10¼	11⅝-11⅞	11¼-11½	6-6⅛	3¼-3½	5⅞-5⅞	11¼-11½	14¾-15¾	11¼-11¾	11½-11¾	5⅞-6	12⅛-12⅝
Month	10⅛-10¼	11⅞-11⅞	12-12⅛	6-6⅛	4⅜-4½	5⅞-5⅞	11⅝-11⅞	15⅛-15⅝	11½-11⅝	11½-11¾	6-6⅛	11½-12
Three months	10⅜-10⅝	12⅛-12⅜	12⅛-12⅜	6¼-6⅜	4½-4⅝	5¾-6⅛	12-12¼	15¼-15¾	11½-11¾	11⅝-11⅞	6¼-6⅜	11½-12
Six months	10⅝-10⅞	12⅝-12⅞	13-13⅛	6½-6⅝	4⅝-4⅞	6⅛-6⅜	12⅞-13⅛	16⅛-16½	11⅝-11⅞	11⅞-12⅛	6⅝-6⅞	11¾-12¼
One year	11⅛-11⅜	13⅝-13¾	13⅝-13⅞	7-7⅛	4⅞-5⅛	6⅜-6⅝	13¾-14	17-17½	12⅛-13	12⅛-12⅜	6⅛-6⅜	12-12½

Asian $ (closing rates in Singapore): Short-term 11¼-11⅜ per cent; seven days' 11⅝-11⅞ per cent; one month 11⅞-11⅞ per cent; three months 12⅛-12⅜ per cent; six months 12⅝-12⅞ per cent; one year 13⅝-13⅞ per cent. Long-term Eurodollars: two years 14¼-14⅜ per cent; three years 14¼-14⅜ per cent; four years 14¼-14⅜ per cent; five years 14¼-14⅜ per cent nominal closing rate. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984 High	1984 Low
METALS					
Aluminium	£1100		£950	£1100	£1100
Free Market c.i.f.	$1210/1240	−90	$1470/505	$1645/1680	$1210/1240
Antimony c.i.f.	$3180/3280	−55		$3490/3500	$2450/620
Copper Cash High Grade	£981.5	−18	£1121.75	£1101.25	£945
3 months Do. Do.	£999.25	−16.0	£1127.75	£1116.80	£909.75
Cash Cathodes	£983	−10	£1081	£1081	£940.5
3 months	£1001.5	−13.5	£1087	£1108.25	£957
Gold per oz	$341.5	−23	$426.25	$405.75	$341.5
Lead Cash	£356.5	−28	£306	£384.5	£268.5
3 months	£355.25	−22	£276	£377.86	£278.25
Nickel	£5087		£4720.76	£5087	£3836
Free Market c.i.f. lb	210/230c		210/230c	218/238c	203/225c
Palladium per oz	$137.25	−12	$143.00	$162.25	$137.25
Platinum per oz	$338.50	−25	$288.00	$411.25	$338.50
Quicksilver (76 lb)	$295/305		$290/300	$315/318	$290/300
Silver per oz	573.50p	−46.00	780.85p	678.70p	561.20p
3 months per oz	587.10p	−47.50	793.10p	694.40p	573.90p
Tin cash	£9416	+95	£8760	£9420	£8370
3 months	£9382.5	+98	£8782.5	£9368.5	£8517.5
Tungsten	$85.23	+1.48	$83.07	$88.23	$75.45
Wolfram (22.04 lb)	$86/87		$80/82	$86/87	$71/75
Zinc	£626	−15.5	£562	£637	£626
3 months	£634.0	−8.12	£485	£718.86	£633.75
Producers	$1,040		$780	$1180/1200	$960
GRAINS					
Barley Futures	£107.85	+0.45	£110.45	£123.65	£106.55
Maize French	£156.50	+1	£146.00	£158.50	£145.50
WHEAT Futures					
Hard Winter Wheat	£108.50	+0.90	£117.00	£130.50	£100.70
SPICES					
Cloves	$4,200			$4,800	$4,800
Pepper white	$5,050			$5,350	$5,050
black	$1,900			$2,550	$1,800
OILS					
Coconut (Philippines)	$1040		$715	$1,676	$1040
Groundnut	$1100		$778	$1,320	$820
Linseed Crude			£444		£597
Palm Malaysian	$675	−110	$405	$1,000	$575
SEEDS					
Copra (Philippines)	$650	−110	$450	$805	$650
Soyabeans (U.S.)	$281	−12	$255.6	$358	$281
OTHER COMMODITIES					
Cocoa Shipment	£1,831	−49	£1,855	£2,173	£1,672
Futures Sept	£1,765.5	−48.5	£1,420.5	£2,103.5	£1,638.5
Coffee Futures Sept	£2,262	+4	£1,805.5	£2,374	£1,896.5
Cotton Index	81.20c	+1.40		90.10c	81.10c
Dess. Coconut	$1,500		$780	$1,275	$885
Gas Oil Fut. Aug	$238.5	+6	$248.75	$257.75	$230.25
Jute UA BWC grade	$515			$515	$280
Rubber kilo	61p	+0.5	79p	91p	58.50p
Sago Pearl	$380		£468	$416	$360
Sisal No. 3	$570		$550	$580	$570
Sugar (Raw)	£96.75	−3.26	£161	£260	£96.75
Tapioca No. 1	$216			$250	$206
Tea (quality) kilo	265p		180p	290p	228p
(low med) kilo	186p		190p	390p	180p
Wooltops 64s Super	462p kilo		382p kilo	477p kilo	458p kilo

† Unquoted. (g) Madagascar. (f) Ghana cocoa. (w) Aug. (u) Sept. (a) July-August.

LONDON OIL

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.75-27.90	−0.05
Dubai Fateh	27.65-27.75	—
Arab Heavy	26.70-26.85	+0.02
North Sea (Forties)	28.55	−0.62
North Sea (Brent)	28.30-29.20	+0.50
African (Bonny Light)	29.00	+0.70
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	267-278	—
Gas Oil	230-236	+1.5
Heavy fuel oil	178-179	—

GAS OIL FUTURES

After a slightly softer opening, the gas oil market moved higher, supported by light trade buying in thin conditions. Prices came off on the opening, reflecting lower levels in New York reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
July	235.50	......	236.00-35.25
Aug	238.65	......	239.00-37.75
Sept	241.75	−0.50	242.50-41.50
Oct	245.50	+0.25	246.25-45.00
Nov	248.25	+1.25	249.25-47.25
Dec	250.50	+0.50	250.50-49.25
Jan	250.00	−1.00	250.00-48.24
Feb	248.00	−0.50	—
March	245.50	+0.56	—

Turnover: 841 (1,308) lots of 100 tonnes.

GOLD MARKETS

Gold fell $23 an ounce from Thursday's close in the London bullion market yesterday to finish at $341-342, its lowest closing level since August 1982. The metal opened at $360½-361 and traded up to a high of $361½-362½ before slipping to a low of $337-338. The dollar's firmer trend prompted some stop-loss selling which accounted for much of the fall although there was some natural short covering.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
July	—	—	—
Aug	350.75-51.50	−16.65	364.00-48.50
Oct	357.00-57.50	−17.25	060.70
Dec	365.00-66.00	−18.75	369.50-60.20
Feb	371.50-73.00	−18.25	378.50
April	—	—	—

Turnover: 771 (660) lots of 100 troy ounces.

	July 6		July 5	
Gold Bullion (fine ounce)				
Close	$341-342	(£259-259¾)	$364¼-364¾	(£276-876⅛)
Opening	$360½-361	(£275-275½)	$368-368½	(£276¼-276¾)
Morning fixing	$358	(£270.761)	$360	(£275.385)
Afternoon fixing	$365.25	(£207.249)	$364.80	(£874.699)

Gold and Platinum Coins July 6

Krugrnd	$352½-353¼	(£268-268½)	King Sov	$81-82½	(£61½-62⅛)
½ Krug.	$181½-182½	(£138-138½)	Victoria Sov	$81-82½	(£61⅛-88⅛)
¼ Krug.	$92½-95⅛	(£70½-71)	French 20s	$66¼-68⅛	(£50¼-52)
1/10 Krug.	$40½-41	(£30½-31⅛)	50 Pesos Mex	$422-424	(£320¾-322¼)
Mapleleaf	$359¼-353	(£267¼-268½)	100 Cor. Aust	$346-000	(£263-256)
New Sov.	$80¼-81¼	(£61¼-61¾)	$20 Eagles	$585-525	(£444¾-458¼)
½ New Sov.	$48¼-49	(£36¾-37¼)	Noble (Plat.)	$348¼-358	(£264⅛-367½)

REVIEW OF THE WEEK

Gold fall triggers base metals decline

TH HEAVY fall in the price of gold yesterday triggered sharp declines in base metals prices on the London Metal Exchange.

Cash higher grade copper fell £11.25 on the day to £981.50 a tonne, taking the fall on the week to £18 a tonne.

The week's biggest fall was in the lead market where the cash position ended £28 down on balance after losing £24.50 yesterday to £356.50 a tonne.

Lead began on a weaker note reflecting disappointment at a relatively small fall in LME warehouse stocks last week of 425 tonnes. Dealers had expected a much bigger stocks decline closer to the previous week's 10,950 tonnes.

In mid-week the lead market had rallied on news that an indefinite strike had been called by workers at Centromin, the Peruvian silver and lead producer. This encouraged expectations of further shipments out of London Metal Exchange warehouses.

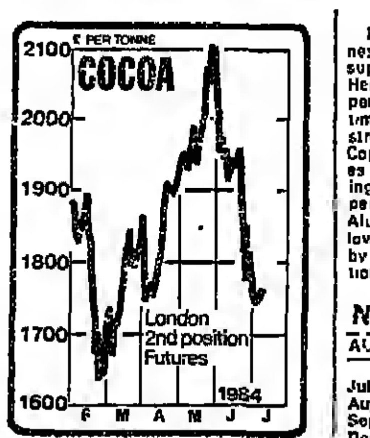
Cash zinc was down £16.50 on the week at £626 a tonne after falling £5.50 yesterday. The overall fall was encouraged by news that workers and management had reached tentative agreement on a new labour contract at Cominco of Canada's Pine Point mine.

The LME tin market continued its recent steady performance with the cash standard price reaching a record £9,420 a tonne before falling back £5 yesterday to end £95 up on the week. Dealers said the market remained underpinned by a tight technical supply situation.

Sugar prices fell to long-time lows as dealers assessed the significant of the failure last week of a negotiating conference in Geneva to thrash out a new price-stabilising international sugar agreement to replace the present one, which expires at the end of this year.

The London daily sugar price slipped to £93.50 a tonne at one stage, the lowest level since October 1982 before recovering somewhat to end the week £3.25 down at £96.75 a tonne. The weakness of sterling recently disguises the degree of depression in the world sugar market. however. In dollar terms the world price this week reached the lowest level since December 1971.

On the cocoa futures market the September position ended £48.50 down on the week at £1,765.50 a tonne, having slipped to £1,742.50 a tonne at one stage. The early downtrend, encouraged by a continuing improvement in nearby supplies, was countered by week-end book-squaring backed up by news that a UK airliner had been detained in Nigeria



(an important cocoa producer) following the thwarting of an attempted abduction of an exiled Nigerian politician from Britain earlier in the week.

Forecasts of continuing dry, warm weather in Britain brought an upsurge in the London potato futures market in terms both of prices and market activity. The April, 1985 position ended £28.20 up at £123.10 a tonne after reaching £125 a tonne during the week.

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £989.50, three months £1,008, 7, 7.50, 8, 7.50, 7, 7.50, 8, 7.50. Cathodes: Cash £992.50, three months £1,008, 8, 8.50. Kerb: Higher Grade, three months £1,008. Afternoon: Higher Grade: Three months £1,000, 999, 98.50, 999, 999.50, 1,000, 999.50, 998, 97.50, 97, 97.50, 98, 98.50, 99. Kerb: Higher Grade: Three months £999, 99.50, 1,000, 999.50, 1,000, 1,000.50, 1,001. Turnover: 41,400 tonnes. U.S. Producers: cents 64.50-69.00 cents a pound.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	989.5-90	−8	981-.8	−11.5
3 months	1007.5-8	−10	999-.5	−11.5
Settlem't	990	−8	—	
Cathodes				
Cash	992.5-3	−7.75	982-4	−12.5
3 months	1008-9	−8	1001-3	−10.5
Settlem't	993	−8	—	

ALUMINIUM

Aluminium—Morning: Cash £885.50, three months £908, 7, 7.50, 8, 7.50, 7, 6, 5.50, 6, 4.50. Kerb: Three months £905, 4, 3.50, 4, 3, 4. Afternoon: Three months £905, 4, 3.50, 4, 3, 4, 3.50, 4. Turnover: 27,225 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	886.5-6.5	−7.25	884-6	−5
3 months	906-.5	−6.5	904.5-5	−6

NICKEL

Nickel—Morning: Cash £3,530, three months £3,610, 15, 7. Kerb: Three months £3,610. Afternoon: Cash £3,628, three months £3,609, 11, 10, 15, 20, 25, 30. Kerb: Three months £3,620. Turnover: 1,104 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	3530-2	−7.5	3540-50	−5
3 months	3606-7	−9.5	3628-30	−2

TIN

Tin—Morning: Cash £9,400, three months £9,365, 61, 60, 50, 45, 50, 40, 30, 35, 40. High Grade: Cash £9,440, three months £9,410. Kerb: Standard: Cash £9,405, three months £9,345, 60. Afternoon: Standards: Three months £9,370, 65, 70, 60. High Grade: Three months £9,420, 25. Kerb: Standard: Three months £9,360. Turnover: 3,240 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	9440-1	+35	9450-60	+35
3 months	9405-10	−35	9425-30	+30
Settlem't	9441	+61	—	
Standard				
Cash	9385-400	−10	9410-20	−5
3 months	9340-1	+3	9350-5	
Settlem't	9400	−10	—	
Straits E.	[illegible]			

LEAD

Lead—Morning: Cash £366, 65, 64.25, three months £368, 67, 68.50, 64, 65, 64.50. Kerb: Three months £363.50. Afternoon: Three months £362, 62.50, 62, 61, 59, 58, 58.50, 58, 57, 58.50. Kerb: Three months £358, 56.50, 57, 58, 59, 60, 61, 62, 61. Turnover: 29,175 tonnes. U.S. Spot 30.00-34.00 cents a pound.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	364.5-5	−17	356-7	−18.5
3 months	359.5-60	−21.5	355-6	−5
Settlem't	364.5	−17		

ZINC

Zinc—Morning: Cash £626.50, 29, 30, three months £636, 36, 39. Kerb: Three months £639, 38.50. Afternoon: Three months £635, 35.50, 35, 34. Kerb: Three months £634, 33, 34, 35. Turnover: 14,850 tonnes. U.S. Prime Western: 50.50-50.75 cents a pound.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	628.5-30	−5.15	625.5-6.5	−0.5
3 months	639-40	−4.75	634-5	−5.75
Settlem't	630	−6	—	......

SILVER

Silver was fixed 16.35p an ounce lower for spot delivery in the London bullion market yesterday at 573.60p. U.S. equivalents of the fixing levels were: spot 760c, down 20.6c; three-month 782.0c, down 22.5c; six-month 808.1c, down 22.1c; and 12-month 854.1c, down 24.1c. The metal opened at 582-595p (776-779c) and closed at 565-569p (745-750c).

SILVER per troy oz	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	573.60p	−16.35	567.00p	−21
3 months	587.10p	−16.6	580.05p	−21.2
6 months	603.00p	−16.9	—	
12 months	630.90p	−17.5	—	

LME—Silver (2,000 oz contract): Cash 567p (588p); three months 580.5p (615.25p). Turnover: 1 (0) lots of 10,000 ozs. Morning: Large lot ring three months 586.5, 91, 91.5, 92.0, 92.1. Kerb: large three months 591.5, 91.0. Afternoon: 2nd ring three months 584.5, 83, 82. Kerb: large three months 587, 80, 79.5, 79.

COCOA

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
July	1782-84	+15.0	1765-60
Sept	1765-66	−8.5	1774-45
Dec	1713-14	−7.0	1718-97
March	1695-88	+8.0	1701-83
May	1737-08	−11.0	1708-94
July	1716-20	+8.0	1717-14
Sept	1780-40	+4.0	—

Sales: 1,903 (4,621) lots of 10 tonnes. ICCO Indicator prices (U.S. cents per pound): Daily price for July 6: 101.45 (101.14); five-day average for July 6: 102.35 (103.52).

COFFEE

COFFEE	Yesterday's Close	+ or −	Business Done
July	2225-30	−20.0	2240-29
Sept	2261-63	−12.0	2227-53
Nov	2284-86	−16.0	2300-20
January	2256-28	−18.5	2250-20
March	2110-15	−13.6	2118-04
May	2070-76	−11.5	2070-50
July	2030-50	+10.0	2040-35

ICO indicator prices (U.S. cents per pound) for July 5: Comp daily 1979 144.02 (143.54); 15-day average 144.08 (144.20).

GRAINS

Business done—Wheat: July 141.00-40.00, Sept 108.50-8.20, Nov 111.40-1.15, Jan 114.55-4.20, March 117.15-6.90, May 120.00-19.80. Sales: 222 lots of 100 tonnes. Barley: Sept 107.15 only, Nov 110.20 only, Jan 113.15-3.05, March 115.70-5.60, May 118.10 only. Sales: 45 lots of 100 tonnes.

Mnth	WHEAT Yesterday's close	+ or −	BARLEY Yesterday's close	+ or −
July	138.80	—	—	—
Sept	108.80	+0.56	107.25	—
Nov	111.15	+0.30	110.15	[illegible]
Jan	114.35	+0.55	113.05	[illegible]
Mar	117.10	+0.40	115.65	[illegible]
May	120.00	+0.25	118.10	[illegible]

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent July 143.50, Sept 141.75, Oct 143.75 trans shipment East Coast. English feed fob Sept 110 seller East Coast. Maize: U.S. No 3 Yellow/French July 153.50 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: N. East 120.30, Scotland 116.20. The UK monetary coefficient for the week beginning Monday July 9 is expected to change to 0.966.

RUBBER

FUTURES—RSS No 1 £ per tonne. Aug 635, 640; Sept 654, 664; Oct 655, 665; Nov 675, 678, 675-671; Dec 682, 680; Jan 694, 702; Feb 705, 710; March 714, 723; April 721, 724, 734; Oct-Dec 675, 679, 689-671; 1985 Jan/...

March 705, 709; 1985 April/June 730, 740. Sales: 10 (nil) lots of 5 tonnes, 9 171 lots of 15 tonnes.

PIGMEAT

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Aug	115.3	115.9	110.0-115.0
Oct	120.1	120.0	120.5-120.1
Nov	121.5	121.3	121.7-121.2
Feb	118.5	118.3	—
April	118.3	118.5	118.6
June	117.1	117.5	118.0-110.5

Sales: 108 (96) lots of 50 carcases 3,250 kilos.

INDICES

FINANCIAL TIMES

July 4	July 3	M'th ago	Year ago
289.05	298.83	307.49	272.07

(Base: July 1 1952=100)

REUTERS

July 6	July 5	M'th ago	Year ago
1805.7	1903.2	1858.1	1848.8

(Base: September 18 1931=100)

MOODY'S

July 3	July 2	M'th ago	Year ago
1038.2	1050.3	1076.3	1046.3

(Base: December 31 1974=100)

DOW JONES

Dow Jones	July 3	July 2	Month ago	Year ago
Spot	—	135.34	141.06	140.83
Fut	—	134.05	141.00	144.83

(Base: December 31 1974=100)

SUGAR

LONDON DAILY PRICE—Raw sugar £96.75 ($128.00), up £1.25 (up $1.00), a tonne for July-August delivery. White sugar $158.000, down $1.50.

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Aug	131.20-31.60	124.20-24.40	135.60-31.00
Oct	137.60-37.70	136.40-38.50	140.00-36.00
Dec	144.80-44.80	143.60-48.60	147.80-44.60
Mar	153.50-53.60	152.20-52.40	156.60-53.20
May	160.60-60.70	159.50-59.60	161.40-60.60
Aug	167.60-68.00	166.40-66.80	170.00-68.20
Oct	173.40-75.00	174.60-75.10	176.60-74.60

Sales: No. 6 3,113 (3,519) lots of 50 tonnes. Tate and Lyle delivery price for granulated basis white sugar was £211.00 (same) a tonne for export. International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports) Prices for July 5: Daily price 4.61 (4.68); 15-day average 5.22 (5.28).

AMERICAN MARKETS

NEW YORK, July 6.

Precious metals, after early weakness, showed a major downturn as support levels were violated, reports Heinold Commodities. Gold prices penetrated the $340 level for the first time since August 1982, in a display of strong negative price expectations. Copper prices were moderately lower as trade selling and sympathetic shorting of the market (with gold) was only partially offset by arbitrage buying. Aluminium prices were also moderately lower as early strength was dissipated by massive commission house liquidation followed by a short-covering rally. Sugar prices drifted lower in light trading with rallies unable to hold in the face of weak fundamentals. Heating oil prices were slightly higher in line with higher crude oil prices and on short-covering in response to Iranian warning of the oncoming offensive. Cotton prices were again strong in the nearby month on apprehension about adequate quality supplies; distant months were only fractionally higher as additional precipitation improved new crop prospects. Cocoa prices were up almost the daily permissible limit on concern about the quality of the Brazilian crop.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
July	54.20	—	—	54.45
August	54.70	—	—	54.95
Sept	55.30	55.85	54.20	55.55
Dec	56.90	57.35	56.00	57.15
Jan	57.50	—	—	57.75
March	59.65	—	—	59.90
May	59.80	—	—	60.05
July	60.95	—	—	61.20
Sept	62.10	—	—	62.35
Dec	63.70	—	—	63.95

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	2150	2159	2131	2126
Sept	2204	2225	2170	2182
Dec	2160	2183	2165	2140
March	2165	2168	2152	2145
May	2175	—	—	2155
July	2180	2190	2190	2170
Sept	2243	2243	2240	2212

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
July	149.50	50.45	48.80	49.63
Sept	143.99	45.75	43.50	44.82
Dec	139.85	41.30	39.50	41.00
March	136.80	38.00	36.60	38.05
May	135.05	36.75	35.00	36.00
July	133.85	35.00	33.80	36.00
Sept	136.25	—	—	37.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	69.75	69.40	68.50	69.40

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	78.80	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	75.45	75.60	75.30	75.30
Oct	73.85	—	—	—

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Close	High	Low	Prev
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	30.23	—	—	30.04

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
July	345.1	360.4	340.5	359.8
August	347.3	364.5	339.0	362.0
Sept	350.0	—	—	365.7
Oct	354.4	364.0	350.0	368.4
Dec	361.8	377.5	355.0	377.0
Feb	369.5	375.8	361.5	384.8
April	377.3	389.5	372.0	391.4
June	385.5	399.5	380.0	399.5
August	394.2	406.5	390.0	410.4
Oct	402.6	413.0	404.0	419.4
Dec	411.4	425.0	425.0	428.7
Feb	420.4	—	—	437.9

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
August	77.20	77.45	76.90	77.00
Sept	78.25	78.40	77.95	77.96
Oct	79.35	79.40	79.15	79.00
Nov	80.50	80.80	80.45	80.24
Dec	81.70	81.85	81.60	81.43
Jan	81.90	—	—	81.40
Feb	81.50	—	—	81.40
March	79.50	—	—	79.40

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	169.30	169.50	166.50	166.70
Nov	169.00	170.00	163.75	163.70
Jan	168.00	166.00	164.00	164.60
March	165.50	165.00	165.00	164.65
May	165.60	65.00	65.00	64.65
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	165.50	64.50	64.50	64.10

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
July	345.6	352.0	338.5	353.9
Oct	356.6	362.0	347.0	364.3
Jan	366.1	371.0	358.0	373.8
April	375.9	382.0	367.0	383.0
July	385.8	393.0	380.0	393.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
July	750.8	774.0	738.0	769.0
August	756.5	758.0	746.0	775.3
Sept	761.5	778.0	753.0	780.6
Dec	779.9	800.0	770.0	798.5
Jan	786.2	814.0	790.0	817.3
March	801.4	827.0	800.0	829.6
May	810.0	835.0	812.0	835.0
July	830.9	853.0	825.0	853.0
Sept	848.0	876.0	848.0	873.3
Dec	867.3	895.0	862.0	885.0
Jan	886.3	931.5	895.0	930.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Sept	4.90	4.97	4.77	4.92
Oct	5.07	5.15	4.98	5.09
Jan	5.47	5.47	5.35	5.41
March	6.05	6.14	5.93	6.05
May	6.40	6.48	6.30	6.40
July	6.70	6.74	6.74	6.69
Sept	6.93	6.90	6.88	6.92
Oct	7.14	7.14	7.00	7.14

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
August	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	72.00	72.40	70.50	71.70

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	189.0	189.0	189.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	25.55	—	—	25.52

MARKET REPORT

Base rates rise as pressure on pound increases
Gold shares slump and equity index fall 14.2

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
June 18	June 28	June 29	July 9
July 2	July 12	July 13	July 23
July 16	July 26	July 27	Aug 6

* "New-time" dealings may take place from 8.30 am two business days earlier.

The effects of the soaring dollar were all too evident in a grim London market scenario yesterday. UK clearing banks raised base lending rates from 9¼ to 10 per cent as money market pressures mounted behind an ailing sterling rate against the dollar and severe fall in trade-weighted terms. Official support for the pound temporarily halted the rout of financial markets, but late in the day most were weakening again.

The reality of dearer money took particularly strong hold on precious and base-metal markets. Bullion slumped nearly $30 an ounce at one stage, before rallying, and caused a flight from shares of South African gold producers. Heavyweight issues sustained falls stretching to over 5 points and the FT Gold Mines index weakened 22.6 to 539.8 for a five-day fall of 103 points. Platinum shares also dipped sharply.

Leading industrial stocks were caught up in the depression, but holders refused to panic and the tone was more a reflection of revived uncertainty than heavy disinvestment. Lower Wall Street values early yesterday aroused fresh fears about short-term U.S. interest rates and London equities settled at the session's lowest. The FT Industrial Ordinary share index closed 14.2 down at 819.3, but on the week was marginally higher.

Only slightly above the lowest levels of the year at the opening, Gilt-edged securities were less affected. Following news of the base rate rises and later rally in sterling, most quotations reduced their falls before slipping off again late. Longer-dated Gilts often closed ¾ cheaper and the FT Government Securities index slipped 0.23 to a fresh 1984 low of 77.79. The prospect of a higher rate of inflation failed to cushion index-linked stocks, which displayed falls of ⅜.

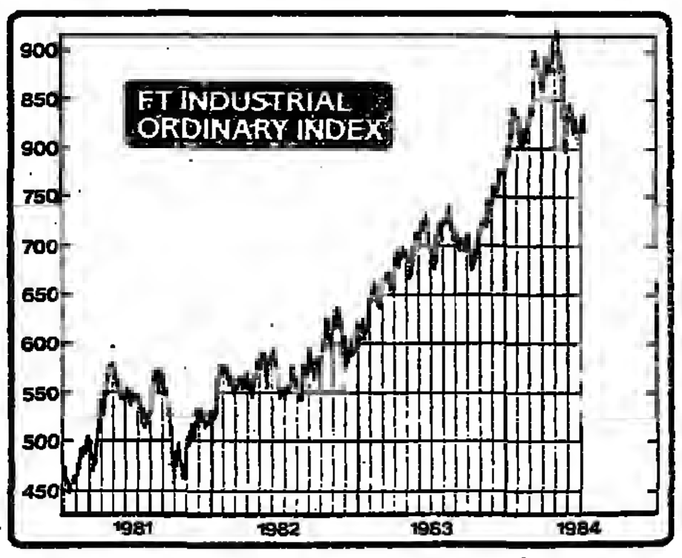
Because of the surrounding circumstances, first-time dealings in the oversubscribed £100m issue of New Zealand 11¼ per cent 2014 stock were disappointing; in £30-paid form, the stock opened at a discount of 1½ points, but recovered to finish at 29¼, a discount of only ¾.

Rumours of a military coup in Argentina unnerved the major clearing banks. Prices wilted on nervous offerings and soon showed falls ranging to 17. News of the ¾-point increase in base lending rates to 10 per cent, however, encouraged a modest rally but NatWest still sustained a loss on the session of 15 at 600p. Lloyds lost 13 at 435p and Barclays fell 10 to 465p. Midland, a much steadier market since the Board's recent denial of an impending interim dividend reduction, dropped to 308p before closing 5 lower at 310p; sentiment was additionally aggravated by a Press suggestion that the bank will soon acquire the 43 per cent minority shareholding of its loss-making U.S. subsidiary, Crocker National. Among overseas issues, Standard Chartered gave up 15 at 473p, while Hong Kong and Shanghai slipped 4 to 89p on Far-eastern influences. Supported recently on revived merger hopes, Discount Houses also lost ground and Union reacted 10 to 680p. Merchant banks featured Mercury Securities, which at 477p gave back 13 of the recent good gain on the results. Hill Samuel cheapened 2 more for a two-day fall of 17 to 273p on further consideration of the proposed £41m rights issue. Elsewhere, old speculative favourite First National Finance Corporation hardened a penny to 80½p after Press comment.

A particularly good sector of late following buying on consideration of its dollar earnings potential, Lloyds Brokers were dragged lower by the surrounding weakness. Willis Faber declined 12 to 880p and Stewart Wrightson 8 to 390p. C. E. Heath gave up 6 at 480p. Among Composites, Royals fell 15 to 476p.

A quietly dull drinks sector featured Distillers 6 down at 293p; the preliminary results are scheduled for July 18. Allied Lyons cheapened 2 to 164p among Breweries where Bass declined 5 at 378p.

The strong possibility of higher mortgage rates shortly put pressure on housebuilding issues. Barratt Developments, still an extremely sensitive market, fell 6 to 98p, while George Wimpey shed 2 to 109p. Countryside slipped 4 to 208p and Ward



Holdings lost 3 to 138p. William Leech, which on Thursday rejected an increased bid worth 145p per share from C. H. Beazer, softened 2 to 137p. Elsewhere, Costain encountered sporadic offerings and shed 6 to 288p, while Taylor Woodrow eased 5 to 295p. Among Cements, Blue Circle and RMC both lost 4, to 398p and 354p respectively, while *Rugby Portland*, a rising market recently on speculative buying fuelled by vague bid hopes, came back 3 to 112p. Against the trend, John Maunders found support and rose 8 to 119p, while Brown and Jackson firmed a couple of pence to 21p, the latter assisted by call option business. Open cast coal mining concern Burnett and Hallamshire improved 5 to 140p on hopes that the miners' dispute might soon end.

After opening a shade lower at 572p, ICI slipped to 565p before falling away quite sharply on U.S. selling to close a net 16 down at the day's lowest of 558p. Among other Chemicals, Laporte slipped 5 to 295p and Croda International softened a couple of pence to 118p. Leigh Interests, which earlier in the week announced an acquisition, shed 3 to 73p.

Fears that the move towards dearer credit and the expected increase in mortgage rates could further seriously curtail the volume of consumer spending, left leading Stores looking distinctly dull by the close. Dealers reported very little selling but closing falls still ranged to 10. Gussies A lost that much at 533p, while Woolworth cheapened 7 at 468p and British Home relinquished 6 at 199p. Marks and Spencer eased 4 to 215p as did House of Fraser at 246p. Secondary issues were similarly affected with Currys 4 off at 248p and Harris Queensway 6 lower at 160p.

Electricals recorded several outstanding movements. BSR were a particularly weak market at 188p, down 22, following Press suggestions of a collapse in record-player sales and ensuing redundancies. Cable and Wireless, unsettled by the higher Hong Kong interest rates, fell 15 to 300p. Ferranti, a firm market earlier in the week on hopes of a bid from Plessey, ran back 7 more to 665p, while A. F. Bulgin eased 2 to 21p on lower annual profits. Cifer, which recently announced poor interim results, redundancies and reshuffle of its board, met with renewed nervous selling and fell 7 further to 43p. Pressac, in contrast, revived after recent dullness and closed 12 up at 157p, while favourable Press mention left Fitness Lighting 10 higher at 280p. Among the leaders, Thorn EMI closed 6 lower at 523p ahead of next Thursday's preliminary statement.

Leading Engineers followed the trend lower but selling was light and falls were limited to a few pence or so. Elsewhere, Prestwich Parker featured with a rise of 20 to 78p in response to news of the proposed acquisition of Paian Entertainment Corporation. Dealings resumed in Butterfield Harvey, at 15p compared with a suspension price of 11p, following announcement of the preliminary figures and restructuring plan. Among other occasional movements, Evered rose 4 to 106p on Press mention.

A firm market on Thursday following the better-than-expected annual results, Unigate ran into profit-taking and came back 5 to 128p. Fitch Lovell, which on Thursday disclosed annual profits at the lower end of expectations and softened a penny to 162p, attracted fresh support after comment on the figures and *gained 4 to 166p*. Elsewhere, profit-taking in recent bid favourite Rowntree Mackintosh left the close a net 8 down at 288p. Among Retailers, Associated Dairies lost 6 to 166p, but Press mention stimulated interest in Albert Fisher which firmed 3 to 74p.

Losses among leading Hotels and Caterers were usually modest. Second line issues were steady to a touch firmer with Kennedy Brookes rising 5 to 262p on light demand.

Reed Int. down

Reed International ran into fresh selling after the recent strength prompted by Mr Robert Maxwell's bid for the Mirror Group and reacted 12 more to 436p. Among other miscellaneous industrial leaders, Bowater stood out with a fall of 9 to 249p along with Pilkington Bros, 12 lower at 233p. Other losses were usually limited to around 5 as in BTR, 443p, and Boots, 162p. Elsewhere, Jacksons Bourne End responded afresh to the bumper *results* and proposed one-for-one scrip issue with a rise of 10 to 370p. British Aerospace reacted to 355p before settling 10 cheaper on the day at 358p; it was announced yesterday that Thorn EMI had withdrawn its merger proposals. BAe is still holding discussions with GEC. A rise of 5 to 350p in Johnson Group Cleaners was accompanied by vague bid talk, while Associated British Ports, up a similar amount at 218p, reflected hopes of a settlement in the miners' dispute. Profit-taking after the recent good rise clipped a couple of pence off Centreway. Johnson Matthey, also a firm market earlier in the week, ran back 5 to 237p, while occasional offerings left Polly Peck 7 lower at 198p. Reflecting the higher Hong Kong interest rates, Jardine Matheson fell 7 to 63p and Hutchison Whampoa 5 to 88p.

Fleet Holdings, 3 better at 185p, moved against the trend in Newspapers, on hopes that Mr Maxwell's Pergamon Press will launch a full-scale offer for Fleet if the £80m cash offer for the Mirror Group is unsuccessful. Other concerns, excited earlier in the week by Pergamon's move, quietened considerably. Associated Newspapers gave up 8 at 500p and Daily Mail "A" 5 at 795p ahead of their respective half-year trading statements on Thursday.

Recently resilient Properties succumbed to selling following the base rate increases. Land Securities, having registered a 1984 peak of 293p earlier in the week, fell 7 to 282p, while MEPC shed 8 to 292p. Capital and Counties lost 5 to 183p and Great Portland Estates gave up 4 to 154p, while Haslemere Estates fell 8 to 500p. Stock Conversion slipped 7 to 340p and Peachey shed 4 to 216p. Against the trend, Property Partnerships attracted demand and, in a restricted market, moved up 10 to 313p. Elsewhere, the increase in Hong Kong interest rates prompted a sharp reaction in Hong Kong Land which fell 4 to 194p.

Well supported for "new-time" a week ago, Courtaulds succumbed to profit-taking and dropped 15 to 119p.

Persistent but generally modest selling put paid to the recent rally in leading oils. The majority opened on a relatively steady note but subsequently retreated in the absence of any worthwhile support to close with substantial losses across the board.

BP were particularly vulnerable and ended the day 18 *lower at 452p, while falls in the* region of 10 were common to Britoil, 232p, and LASMO, 272p. Shell were a nervous market and gave up a similar amount to 630p, after 628p.

Golds depressed

The recent downward pressure on bullion gathered pace and led to another severe shakeout throughout mining markets.

Bullion fell below its recent support level in the mid-$360s at the outset of trading and held *around $358 for much of the* morning. Around midday, however, the price dropped sharply to touch $338 before closing a net $23 off at $341.5 an ounce—its lowest closing level since August 17 1982. The weakness was triggered by renewed strength in the dollar amid talk of further increases in U.S. interest rates. The weakness of gold spilled over into silver and platinum markets and also caused a widespread decline in base-metal markets.

Gold shares opened the day on a relatively steady note, sustained by the rise in the Rand rate against the dollar, and modest buying interest from the Continent. However, the weakening gold price quickly saw the emergence of heavy and sustained selling pressure from Johannesburg and London sources and share prices retreated across a broad front. Afternoon trading was featured by a fresh wave of selling, this time from the U.S. and prices weakened further before steady*ing in after-hours, along with the* bullion price.

At the close the leading heavyweights were showing losses which ranged up to £5¼, as in "Amgold," £70⅞, while Randfontein followed Thursday's £8-plus decline with a further £4¼ fall to £90¾. President Steyn dropped £3⅛ to £30⅝ and Vaal Reefs £4⅜ to £75⅝.

London Financials showed Consolidated Gold Fields and RTZ down around 20 apiece at 485p and 540p apiece while *Hampton Areas* fell 10 to 182p and Charter 3 to 195p.

The heavy losses in precious and base-metal prices and a poor showing by domestic markets overnight brought an abrupt halt to the two-day rally in Australians. Golds were notable casualties — Central Norseman slumped 30 to 298p, GMK a like amount to 460p and North Kalgurli 7½ to 42½p.

The quietest week in the Traded Option market for nearly three months ended with 3,082 contracts completed, comprising 1,681 calls and 1,401 puts. The FTSE 100 attracted its usual quantity of business with 421 calls and 351 puts arranged—160 in the September 1,075 level. RTZ put positions were active with 237 deals done.

FINANCIAL TIMES STOCK INDICES

	July 6	July 5	July 4	July 3	July 2	June 20	year ago
Government Secs	77.79	78.02	78.22	78.09	78.22	78.43	80.04
Fixed Interest	82.25	†82.40	82.38	82.41	82.40	82.44	82.84
Industrial Ord.	812.5	833.8	834.1	821.3	822.1	817.0	683.2
Gold Mines†	539.8	562.4	599.9	606.5	628.9	644.0	699.8
Ord. Div. Yield	4.84	4.77	4.77	4.83	4.82	4.84	4.67
Earnings, Yld.% (full)	11.24	11.07	11.07	11.22	11.21	11.26	9.25
P/E Ratio (net) (*)	10.70	10.86	10.86	10.71	10.72	10.67	13.49
Total bargains (Est.)	16,843	18,456	18,366	17,530	18,389	16,792	20,037
Equity turnover £m.	—	182.84	251.88	183.98	215.26	263.78	243.09
Equity bargains	—	12,764	15,799	12,461	15,527	13,158	16,094
Shares traded (m)	—	105.1	168.4	120.7	156.8	143.5	122.8

10 am 830.8. 11 am 823.5. Noon 821.5. 1 pm 822.2.
2 pm 821.7. 3 pm 821.7.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

latest Index 01-246 8026.

* Nil = 10.33. † Corrected.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	77.79 (6/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed. Int.	87.48 (14/5)	82.25 (6/7)	155.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	922.8 (3/5)	770.5 (4/1)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (8/5)	520.2 (17/1)	734.7 (15/2/83)	43.5 (26/10/71)

	July 5	July 4
Daily Gilt Edged Bargains	131.1	143.5
Equities Bargains	82.7	89.4
Value	360.6	509.1
5 day Average Gilt Edged Bargains	141.5	142.1
Equities Bargains	87.5	87.2
Value	458.0	448.0

LEADERS AND LAGGARDS

Percentage changes since *December 30 1983 based on Thursday, July 5 1984*

Insurance Brokers	+26.82	Capital Goods	+ 4.76
Tobaccos	+23.80	Other Groups	+ 3.85
Newspapers, Publishing	+21.93	Overseas Traders	+ 3.45
Brewers and Distillers	+19.84	Food Manufacturing	+ 2.58
Mechanical Engineering	+17.38	Shipping and Transport	+ 2.57
Discount Houses	+13.92	Financial Group	+ 2.05
Insurance (Composite)	+13.90	Motors	+ 1.89
Office Equipment	+13.59	Metal and Metal Forming	+ 1.11
Oils	+12.93	Stores	+ 0.47
Health and H'sehold Products	+12.87	Investment Trusts	− 0.67
Consumer Group	+ 8.34	Building Materials	− 1.71
Property	+ 8.24	Gold Mines Index	− 2.31
500 Share Index	+ 7.51	Other Consumer	− 2.90
Textiles	+ 8.82	Leisure	− 3.04
Packaging and Paper	+ 8.55	Banks	− 3.36
Industrial Group	+ 6.46	Mining Finance	− 3.57
Food Retailing	+ 6.09	Contracting, Construction	− 3.70
All-share Index	+ 5.81	Insurance (Life)	− 6.05
Electronics	+ 5.81	Electricals	− 6.46
Other Industrial Materials	+ 5.53	Chemicals	− 7.72
		Merchant Banks	−16.05

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 25	July 6	Sept 27	Oct 8
July 9	July 20	Oct 11	Oct 22
July 23	Aug 3	Oct 25	Nov 5

For rate indications see end of Share Information Service

Stocks to attract money for the call included Eglinton, Enterprise Oil, SGB, Butterfield Harvey, Polly Peck, Premier Consolidated, Marshalls Universal, Inter-City, John Brown, *Woodside Petroleum, and Acorn* Computer. No puts were reported but a double option was arranged in UKO International.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri July 6 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Thurs July 5 Index No.	Wed July 4 Index No.	Tues July 3 Index No.	Mon July 2 Index No.	Year ago (approx.) Index No.	1984 High		1984 Low		Since Compilation High		Since Compilation Low	
1 CAPITAL GOODS (203)	482.95	−1.2	10.19	3.98	12.38	489.00	487.98	483.05	481.64	464.41	533.05	21/3	463.44	4/1	533.05	21/3/84	50.71	13/12/74
2 Building Materials (23)	435.39	−1.4	14.42	5.45	8.61	441.39	440.98	436.06	438.75	423.84	537.59	27/4	435.06	27/6	537.59	27/4/84	44.27	11/12/74
3 Contracting, Construction (30)	648.30	−0.9	15.60	5.82	8.17	654.43	656.59	653.08	655.93	724.81	776.48	25/4	646.09	15/6	831.09	15/3/83	71.48	2/12/74
4 Electricals (14)	1526.43	−0.9	9.00	4.88	13.91	1540.26	1565.43	1537.43	1530.73	1761.11	1802.52	20/3	1503.38	31/5	1909.93	3/6/83	84.71	25/6/62
5 Electronics (31)	1712.80	−1.5	8.57	2.37	14.94	1739.06	1724.61	1713.89	1694.37	0.0	1886.14	16/3	1581.70	31/5	1886.14	16/3/84	1581.70	31/5/84
6 Mechanical Engineering (62)	247.06	−1.1	11.26	4.88	10.89	249.78	249.79	246.78	247.17	204.44	253.45	27/4	212.79	3/1	253.45	27/4/84	45.43	5/1/75
8 Metals and Metal Forming (9)	178.23	−1.0	11.50	7.08	11.56	180.02	179.76	176.13	175.87	168.93	209.74	13/3	174.38	31/5	209.74	13/3/84	49.65	6/1/75
9 Motors (17)	125.11	−0.9	6.56	4.87	—	126.20	126.58	123.86	123.12	106.43	146.06	20/3	119.36	15/6	170.59	15/1/69	19.91	6/1/75
10 Other Industrial Materials (17)	631.82	−0.9	7.33	3.88	16.97	637.47	639.64	631.39	634.42	514.03	712.82	3/5	598.44	4/1	712.82	3/5/84	277.55	15/1/81
21 CONSUMER GROUP (193)	494.18	−1.3	11.15	4.46	11.07	500.52	499.76	494.48	493.60	417.44	551.11	3/5	461.40	3/1	551.11	3/5/84	61.41	13/12/74
22 Brewers and Distillers (23)	521.78	−1.0	12.44	4.84	9.88	527.16	527.12	520.22	521.61	447.07	561.46	2/5	439.89	3/1	561.46	2/5/84	69.47	13/12/74
25 Food Manufacturing (22)	372.16	−1.3	15.20	5.87	8.18	377.11	378.45	373.97	373.65	333.55	413.61	5/5	361.10	31/5	413.61	3/5/84	59.67	11/12/74
26 Food Retailing (12)	1123.60	−1.4	7.64	2.81	17.15	1139.12	1147.68	1125.57	1115.80	836.20	1247.59	5/5	1057.23	10/2	1247.59	3/5/84	54.25	11/12/74
27 Health and Household Products (9)	796.95	−0.8	6.22	3.04	19.27	803.30	798.62	792.52	792.26	788.75	830.60	27/4	706.26	4/1	879.98	18/4/83	175.38	28/5/80
29 Leisure (22)	588.93	−1.3	10.06	5.05	12.82	596.85	586.83	581.17	586.69	524.59	711.98	20/3	581.17	5/7	711.98	20/3/84	54.83	9/1/75
32 Newspapers, Publishing (13)	1323.53	−0.2	7.93	4.13	15.77	1326.13	1295.90	1290.55	1295.26	878.75	1375.84	2/5	1087.65	3/1	1375.84	2/5/84	55.08	6/1/75
33 Packaging and Paper (15)	228.63	−2.1	13.29	5.02	8.71	233.50	234.20	227.17	226.93	177.59	271.05	2/5	216.91	4/1	271.05	2/5/84	43.46	6/1/75
34 Stores (46)	422.18	−1.9	9.75	4.14	13.75	430.30	433.44	431.82	430.44	362.63	498.42	16/3	421.21	14/2	498.42	16/3/84	52.63	6/1/75
35 Textiles (20)	261.24	−1.8	14.05	5.11	8.27	266.16	266.97	262.98	261.02	206.79	317.42	3/5	246.26	4/1	317.42	3/5/84	62.66	11/12/74
36 Tobaccos (3)	638.74	−0.5	17.20	5.65	6.57	642.26	629.38	623.28	616.55	415.91	685.11	3/5	508.59	5/1	685.11	5/5/84	94.34	13/6/62
39 Other Consumer (8)	440.54	−0.8	13.80	4.90	—	444.18	441.83	441.83	441.83	390.35	497.79	26/3	440.54	6/7	497.79	26/3/84	229.84	28/9/81
41 OTHER GROUPS (87)	431.50	−1.6	10.14	4.54	12.22	438.73	438.20	433.40	434.18	367.21	466.08	26/3	413.04	31/5	466.08	26/3/84	58.63	6/1/75
42 Chemicals (17)	568.64	−2.2	13.07	5.22	9.47	581.48	580.92	575.65	573.52	514.24	646.55	17/1	547.22	30/5	646.55	17/1/84	71.20	1/12/74
44 Office Equipment (4)	122.80	−1.1	7.80	5.88	16.92	124.15	122.48	120.51	120.38	117.64	144.90	20/3	109.30	3/1	246.06	1/9/72	45.34	2/1/75
45 Shipping and Transport (14)	822.68	−0.8	8.33	5.33	16.46	829.02	839.31	835.75	841.37	687.24	930.08	20/3	799.08	5/1	930.08	20/3/84	90.80	29/6/62
46 Miscellaneous (52)	603.78	−1.5	8.59	3.81	14.11	612.68	610.91	602.88	605.88	484.90	643.31	17/5	533.90	4/1	643.31	17/5/84	60.39	6/7/75
49 INDUSTRIAL GROUP (483)	486.11	−1.3	10.68	4.32	11.64	492.62	491.81	486.65	485.90	428.96	536.27	3/5	461.70	4/1	556.27	3/5/84	59.01	13/12/74
51 Oils (17)	1037.53	−2.8	14.21	6.50	8.75	1067.83	1076.42	1057.90	1045.47	954.83	1199.54	21/5	942.54	3/1	1199.54	21/5/84	87.23	29/5/62
59 500 SHARE INDEX	532.34	−1.6	11.27	4.69	11.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (120)	571.95	−1.3	—	5.75	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (6)	413.93	−3.0	—	7.39	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	477.99	−0.3	—	5.57	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	202.82	−1.2	—	5.03	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (53)	570.75	−1.9	5.85	3.71	24.23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (19)	238.05	−1.4	12.11	5.79	10.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (104)	477.19	−0.4	—	3.81	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	259.89	−3.7	10.80	5.77	11.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (14)	518.00	—	10.10	7.37	12.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (742)	490.39	−1.5	—	4.86	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE 100 SHARE INDEX	1042.3	−20.4 (Day's Change)	1060.7 (Day's High)	1042.3 (Day's Low)	—	1062.7	1063.3	1050.2	1047.6	0.0	1141.6	3/5	997.3	3/1	1141.6	3/5/84	997.3	3/1/84

FIXED INTEREST

PRICE INDICES	Fri July 6	Day's change %	Thurs July 5	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	115.03	−0.07	115.12	—	5.94
2 5–15 years	123.16	−0.33	123.57	—	7.32
3 Over 15 years	128.80	−0.41	129.33	—	8.33
4 Irredeemables	139.94	−0.15	140.15	—	7.27
5 All stocks	122.87	−0.25	123.18	—	7.04
6 Debentures & Loans	102.68	−0.33	103.02	—	5.52
7 Preference	75.46	−0.29	75.68	—	3.42
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	101.02	−0.34	101.36	—	1.36

AVERAGE GROSS REDEMPTION YIELDS	Fri July 6	Thurs July 5	Year ago (approx.)	1984 Highs		1984 Lows	
British Government							
1 Low Coupons 5 years	11.24	11.17	9.99	11.33	30/5	9.24	17/1
2 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 Debs & Loans 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Preference	13.10	13.06	12.16	13.10	6/7	11.90	7/3
15 Inflation rate 5%	3.79	3.76	3.28	3.79	6/7	3.16	4/1
16 Inflation rate 10%	3.61	3.58	3.11	3.61	6/7	2.99	4/1

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13
Other Consumer	31/12/80	238.14	Food Retailing	29/12/67	114.13
Health/Household Products	30/12/77	261.77	Insurance Brokers	29/12/67	96.67
Other Groups	31/12/74	63.75	Mining Finance	29/12/67	100.00
Overseas Traders	31/12/74	100.00	All Other	10/04/62	100.00
Electronics	30/12/83	1646.65	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p. CONSTITUENT CHANGES: Wolstenholme Rink (42) and Comben Group (3) have both been deleted and replaced by Enterprise Oil (51) and Robertson Research (46) respectively. Jessel, Toynbee and Gillett has been deleted but not replaced (63). NAME CHANGES: Murray Glendevon Inv Tst is now Murray Ventures Inv Tst (71). RECLASSIFICATIONS: Associated Heat Services (3) to (46). Majedie Inv (91) to (70) and Systems Designers Intl (46) to (5). ● Corrected figures for Debenture Indices for 28/6/1984.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (22)

AMERICANS (6)
Cons. Foods, NYNEX, Esmark, Quaker Oats, Gulf Corp., Shell Oil
CANADIANS (1)
Barrick Resources
BANKS (1)
First Natl. Fin. Corp.
STORES (1)
Henriques (A.)
ELECTRICALS (1)
Quest Automation
ENGINEERING (2)
Prestwich Parker, Ratcliffs (G. B.)
INDUSTRIALS (5)
Continental Group, IC Inds., Dover Corp., Jacksons Bn. End, Gunhill
MOTORS (1)
Reliant Motor
PAPER (1)
Ogilvy & Mather
PROPERTY (2)
Property Ptrnrshp., Wereldhave NV
TRUSTS (1)
Cambrian & Gen. Cap.

NEW LOWS (152)

BRITISH FUNDS (47)
INT. BK. & O'SEAS GOVT. STLG. ISS. (6)
CORPORATION LOANS (2)
AMERICANS (3)
CANADIANS (1)
BREWERS (1)
BUILDINGS (4)
CHEMICALS (1)
STORES (7)
ELECTRICALS (11)
ENGINEERING (5)
FOODS (2)
INDUSTRIALS (15)
LEISURE (2)
PROPERTY (3)
SHIPPING (3)
MINES (32)

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	4	90	8	87	358	65
Corpns. Dom. and Foreign Bonds	1	23	56	30	89	281
Industrials	121	415	869	1,252	1,121	4,657
Financial and Props.	63	161	296	624	359	1,517
Oils	16	44	60	139	120	341
Plantations	2	2	16	20	6	74
Mines	20	92	63	204	330	341
Others	84	63	103	355	262	629
Totals	311	890	1,471	2,711	2,645	8,005

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
British Aerospace	358	−10	Fleet Holdings	185	+ 3
BP	452	−18	ICI	558	−16
Britoil	232	−11	Land Securities	282	− 7
Cable and Wireless	300	−15	Prestwich Parker	78	+20
Commercial Union	210	− 1	Unigate	128	− 5
Cons Gold Fields	485	−22	Vaal Reefs	£75⅝	− 4⅜

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Barham	13	305	—	Ryl Bank Scot	10	220	+ 2
Cns Gold Flds	13	507	−25	BAT Inds	9	232	+ 5
Fleet Holdings	13	182	+12	Midland Bank	9	315	—
RTZ	11	560	−15	Reed Internl.	9	448	−10
Beecham	10	308	+ 3	Rwntree Mack	9	288	− 2
Glaxo	10	875	+ 5	Shell Trans	9	640	− 5
Invent Energy	10	380	−13	Thorn EMI	9	529	+21

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Midland Bnk	82	315	+27	Shell Trans.	65	640	+23
Enterprise Oil N	76	103	*− 2	Beecham	64	308	+13
GEC	74	196	+ 8	BP	64	470	+17
Brit Aerospace	71	368	—	Fleet Holdings	64	182	− 3
Glaxo	71	875	+20	Royal Insce	64	491	+44
BTR	70	448	+18	Nat West Bk	61	615	+48
Invent Energy	65	380	+40	IMI	60	674	+ 4

* Based on Monday's opening price.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Allotment letters (or fully-paid). ● Introduction. ● Unlisted Securities Market. ‡ Placing price. † Official London Listing. ‡ No par value.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVTS.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

Whitbread 5½pc3rdPf (£1) 46. 6p3rdcPf (£1) 50 (4/7). 7pc3rdPf (£1) 58¼ (29/6). 4½pcDb 1999-2004 £48 (2/7). 5½pcDb 1961-96 £00½ (29/6). 7pcDb 1966-93 £74½. 7¼pcDb 1969-94 £75½ ½ ¼ (3/7). 7¼pcLn 1966-91 £78½. Db 1995-99 £66¼ ½ ¼ 7 (4/7). 7¼pc Ln 1998-2000 £69½ (4/7). 9pcLn 1997-2001 £8) (4/7). 10½pcLn 2000-05 £87 (2/7)

COMMERCIAL INDUSTRIAL

A—B

C—D

DRG 7¼pcLn 1986-91 £75 6
Dalgety 4.85pcPf (£1) 54 5½ 6½pcDb 1979-84 £102 (5/7)
Davies Metcalfe (10p) 48½ 50 (29/6)
Dawson Intntl New 21) 2 (3/7). 10¼pc Db 1990-95 £92
De La Rue 2.45pcPf (£1) 27½ (2/7)
Debenhams 6½pcAPf (£1) 54. 7pc8Pf (50p) 29. 7¼pc2ndDb 1961-86 £70¼

E—F

G—H

I—J—K

L—M

Lister and Co 5pcPf (£1) 38 (29/6)
Liverpool Daily Post 5pcPf (£1) 40 (2/7)
London and Cont (20p) 127 31 2 New (20p) 130 1 2 11 pcCnvSbdLn 1995-2002 £225 30
Lonrho 7½pc1stMtgDb 1986-91 £73 (3/7). 9pc2ndMtgDb 1987-1992 £84½ 12½pc 2ndMtgDb 1985-90 £100 (2/7)
Low and Bonar 8½pc3rdPf (£1) 35 (29/6)
Lowe Howard-Spink Nw (10p) 180 1
Lowe (R. S. H.) 5½pc1stPf (£1) 40
Leigh Int 10pcCnvLn 1984-85 £88 (4/7)
Lewis (John) 7pcPf (£1) 53 (2/7)
Lewis (John) Ptnrshp 5pcPf (£1) 41½ 2½pcPf (£1) 59½ 60 (29/6)
Lewis's Inv 6½pcMtgDb 1985-90 £79
Lex Serv 8½pcLn 1992-97 £79¼
Lilleshall (7½p) 5pcPf (£1) 30½ (3/7)
Lindustries 6¼pcDb 1984-89 £82½ ¼ (29/6)

N—O—P

Q—R—S

T—U—V

Y) 5.4pcLn 1989-94 £61½ (3/7)
Talbot Motor 5½pcDb 1984-69 £77½ (4/7)
Tarmac 6¼pcDb 1986-91 £86 (2/7). Do 1989-94 £72. 7¼pcDb 1993-97 £72½ (2/7)
Tarry (S. W.) 327 3 33
Tate Lyle 6½pcPf (£1) 56 5½pcDb 1980-1985 £93 (4/7). 7¼pcDb 1989-94 £74 ½. 6¼pcLn £74 (2/7). 10½pc Ln 2003-08 £87 (4/7). 13pcLn 1994-1999 £139 (4/7)

Taylor Woodrow 7¼pcLn 1987-90 £79½
Tecalemit 8½pc2ndDb 1985-90 £87 (29/6)
Tern-Consulate 9pcPf (£1) 101 96½
Thomson Org 4.72pc1stPf (£1) 55½ (2/7). 5.85pcPf (£1) 69 (2/7). 2) 7pcPf 63. 3pc1stDb £71. 7¼pcLn 1987-92 £00 (3/7)
Thorn EMI 5pcLn 2004-09 £44 (4/7). 6½pcLn 1985-89 £78½ (2/7). 7¼pcLn 1989-92 £76. 7¼pcLn 2004-09

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

Northern American Tst 5pcPf £43½ 128
Raeburn Invest Tst 3pcPf £44 (4/7)
Rights and Issues Invest Tst 48 (2/7). 7½pcPf (£1) 70 (2/7)
St Andrew Tst 5pcPf £48½ (29/6)
Scottish Mercantile Invest 302 (29/6)
Scottish Cities Invest Tst 332 (3/7)
Merchants Tst 5pcPf (£1) 39 (3/7)
Murray Caledonian Inv Tst 6pcDb 1983-1988 £83 (2/7)
Murray Clydesdale Inv Tst 4pcPf (£1) 42 3 (3/7)
New Darien Oil Tst Warrants to sub for Ord 14
New Tokyo Invest Tst Warrants to sub for Ord 174 (4/7)
1928 Invest Tst 5¼pcDb 1998-2003 £64 (3/7)
North Atlantic Securities Corp 7½pcLn 1995-96 £235 (2/7)

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

Canadian Pacific 7½pcPfd (A) 400 50 (2/7)
Fishguard Rosslare 3½pcPf £26½ (4/7)
Ontario Quebec 3pcDb £31½ (3/7)
St. Lawrence Ottawa 4pcBds £31 (29/6)
Toronto Grey Bruce 4pcBds (£883) £27 (4/7)

SHIPPING

Caledonia 5pcDb 1960/85 1974 60
Cram A (£1) £17 20 (3/7)
Lyle 6½pcPf (£1) 42
P and O 5pcPfd 275 (2/7). 3½pcDb £32 (2/7)
Reardon Smith A (50p) 14
Shampton IOW SUE (50p) 270 (29/6)
Turnbull Scott Hldgs A (£1) 460

UTILITIES

American Info (£1) 145
Bristol Channel (10p) 2
Calcutta Elect Supply (Rs10) 49. 7½pcPf (Rs10) 26 (4/7)
Electricite de France 12½pcLn 2008 (Reg) £102½. 11pcLn 2009-12 £21½
Manchester Ship Canal 5pcPf (£1) 35 (2/7)
Mersey Docks 3½pc 5pc 3½pcDb 1979-80 (3/7). 3½pcDb 1970-85

WATER WORKS

UNLISTED SECURITIES MARKET

Churchill Energy 108 9 10½
Cinaminex 90 (3/7)
Coca-Cola £43⅛
Coles (G. J.) 228
Comalco 144 (4/7)
Combustion Engineering £22½ (2/7)
Conzinc Aust 3 (3/7)
Daimler-Benz (DM50) £151 (4/7)
Denison Mines A N-V 937½ (29/6)
Denison Mines B N-V 825 (28/6)
Development Bank of Singapore 2720 3
Deutsche Pet Industrie £32 ⊕ $2.30 (3/7)
Du Pont (E. I.) De Nemours £35½ (29/6)
Fairview Rossk 150 (29/6)
Federal Express Corp £25½ (3/7)
General Mills £38½ (4/7)
General Oriental 320
Global Marine 225 (2/7)
Gold and Min Expl 520 (29/6)
Greenwich Res 127 34

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any exchange

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

Option		Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
B.P. (*458)	420	40	63	—	3	10	—
	460	15	60	46	39	25	39
	500	4	17	27	45	56	58
	550	1½	8	16	96	100	105
Cons. Gold (*492)	460	45	—	—	3	—	—
	500	17	40	47	18	35	40
	550	5	20	27	45	70	72
	600	2	7	16	116	117	117
	650	1	2	8	166	167	170
Courtaulds (*120)	110	12	19	22	2	4	3
	120	5	12	18	4	8	10
	130	6	7	10	12	16	17
	140	1	3½	6	21	25	95
	160	0½	1½	3½	41	41	42
Com. Union (*215)	140	78	—	—	0½	—	—
	160	35	69	—	0½	3	—
	180	35	40	47	1½	5	7
	200	16	25	35	2	11	15
	220	7	17	22	11	18	99
	240	2	10	—	29	33	—
G.E.C. (*188)	160	30	34	38	1	3	4
	180	15	21	28	4	10	15
	200	3	10	14	16	20	24
	220	0¼	4½	—	34	34	—
Grand Met. (*320)	250	72	—	—	0½	—	—
	275	47	52	—	1	3	—
	300	22	30	38	3	9	12
	330	4	13	20	20	24	34
	360	2	4	9	43	50	56
I.C.I. (*564)	500	70	74	82	5	2	11
	550	26	34	42	8	22	26
	600	4	14	22	58	46	60
	650	0½	4	8	86	88	93
Land Sec. (*282)	214	69	—	—	0½	—	—
	235	47	—	—	1	—	—
	240	43	48	—	1	2	—
	257	27	—	—	2	—	—
	260	25	31	36	3½	6	2
	280	9	17	23	9	14	16
	300	1½	9	15	24	26	32
Marks & Sp. (*216)	200	21	26	31	5	7	10
	220	6	16	21	8	14	13
	240	2½	7	11	26	30	31
	260	1½	5	6	46	48	51
	280	1	2	—	65	68	—
Shell Trans. (*630)	550	85	—	—	2	—	—
	600	40	52	60	4	13	22
	650	13	27	35	27	43	48
	700	3	13	20	72	73	82

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Barclays (*457)	420	55	65	75	8	12	16
	460	23	37	47	22	30	37
	500	8	18	27	47	55	62
	550	1¼	6	—	92	95	—
	600	1	—	—	142	—	—
Imperial Gp. (*155)	130	29	—	—	1	—	—
	140	19	22	24	3	5	6
	160	9½	10	13	10	15	20
	180	2	4½	6½	27	29	61
LASMO (*278)	260	30	40	48	8	13	20
	280	20	30	35	20	27	32
	300	12	95	28	38	38	47
	330	6	17	20	56	82	70
	360	2½	11	—	88	90	
Lonrho (*145)	110	38	—	—	1	—	
	120	28	29	34	1	1½	3
	160	18	99	27	1½	2½	5½
	140	10	16	19	4½	8	10
	160	4	6	11	17	21	22
P. & O. (*294)	260	40	47	—	2	3	—
	280	22	31	36	5	13	16
	300	11	90	28	15	23	26
	330	4	11	16	37	41	44
Racal (*217)	200	22	30	38	3	7	10
	920	11	20	98	13	16	20
	240	4	10	)6	26	30	32
R.T.Z. (*544)	550	28	40	32	15	35	43
	600	11	93	30	80	65	75
	660	4	11	16	110	115	110
	700	1½	5		160	165	—
Vaal Reefs (*$103)	110	5	9	12	10	13½	16½
	120	3	5	8	17½	)2½	22¼
	150	)½	3	4¼	27½	98½	99½
	140	½	1½	3¼	37½	37½	38¼

Option		Calls Sep.	Calls Dec.	Calls Mar.	Puts Sep.	Puts Dec.	Puts Mar.
Beecham (*306)	280	38	43	48	4	8	10
	300	20	33	40	11	14	18
	330	8	)8	20	39	37	40
	360	2½	5	-	60	52	
Bass (*376)	330	57	65	—	3	6	-
	360	30	40	49	13	17	20
	390	12	19	23	23	27	35
De Beers (*$8.30)	650	37	58	78	37	46	55
	700	92	38	58	64	95	100
	750	10	26	—	130	166	—
	800	5	14	—	175	180	—
	850	3	7	—	225	230	—
Guest Keen (*187)	160	17	29	30	6	8	12
	180	9	15	18	19	22	26
	200	4	7	—	37	40	—
	220	2	4	—	58	59	—
Hanson (*220)	180	45	42	—	3	5	—
	187	32	—	—	4	—	—
	200	26	32	37	8	9	12
	220	12	17	21	13	18	22
	240	4	9	—	24	29	—
Tesco (*162)	160	3	17	21	7	9	11
	180	5½	7	11	22	24	26
	200	2	3	—	4)	42	—
FT-SE Index (*1061)	1025	45	65	—	34	52	—
	1050	33	55	62	50	72	82
	1075	25	42	47	68	86	97
	1100	)4	30	—	87	102	-
	1)25	8	20	—	105	122	—
	1150	4	)0	—	127	)37	—

July 6. Total Contracts 3,082, Calls 1,68), Puts 1,401.
* Underlying security price.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$350	33	15	37	25	5	40	$346.50
GOLD C	$375	33	5.50	41	13.50	2	23	"
GOLD C	$400	42	1.20	36	5	8	11	"
GOLD C	$425	61	0.20	155	1.80			"
GOLD P	$350	731	6	602	8.50	4	10	"
GOLD P	$375	81	27.50 B	63	27.50 B	5	27.50 B	"
GOLD P	$400	5	32.60 B	33	52.50 B	-	-	"
		Sep.		**Dec.**		**Mar.**		
SILVER C	$8	6	0.30	9	0.50	26	0.85	$7.50
SILVER C	$9	9	0.33	6	0.30	18	0.55	"
SILVER C	$10	9	0.05	20	0.20 A	—	—	"
SILVER P	$7	17	0.10	—	—	—	—	"
SILVER P	$8	2	0.60	6	0.55	10	0.60 B	"
SILVER P	$9	7	1.50 B	5	1.50	4	1.50	"
$ FL C	$310	2	9.50	1	10.20	1)	1)	$319.55
$ FL C	$315	14	7.20	5	7.40	3	9.30	"
$ FL C	$320	613	4.90	25	6.40	-	-	"
$ FL P	$285	5	0.20	—	—	-	—	"
$ FL P	$290	5	0.90	-	-	-	-	"
$ FL P	$300	20	1.50			1	9	"
$ FL P	$305	666	2.30					"
$ FL P	$310		—	125	2.70	-		"
$ FL P	$315	122	6.90	—	-		-	"
$ DM C	$380	601	5.30	-	—	-	-	$283.20
£ $ P	$135	-	—	12	4.20	-	-	$139
£ $ P	$140	-	-	45	7.90 B	-	-	"
		July		**Oct.**		**Jan.**		
ABN C	F.380	60	0.10	5	1.50		—	F.315.00
ABN P	F.300	)1	1.20	19	10	-	-	"
AEGN C	F.130	—	—	36	1.80	13	3.80	F.116
AEGN P	F.110	—	—	2	4.40	20	4.20	"
AH C	F.(90	—	—	25	4.50	—	—	F.161.70
AH P	F.180	)4	1.20	—	—	—	—	"
AKZO C	F.90	107	0.40	236	4.90	38	7.10	F.85.40
AKZO P	F.80	56	0.20	177	2.40	27	3.50 B	"
AMRO C	F.55	15	0.10	155	1.20	1	2.60	F.59.00
AMRO P	F.60	260	1.80	94	4.20	9	3 B	"
GIST C	F.140	79	3.80	5	9	—	-	F.143.30
GIST P	F.140	)2	1.10	22	4.10	—	—	"
HEIN C	F.140	—	—	56	3.20	42	3	F.127.50
HEIN P	F.130	—	—	28	3	10	4 6	"
HOOG C	F.55.20	7	0.40	85	2.80	—		F.49.70
HOOG P	F.53.20	6	3.50	52	5	—	—	"
KLM C	F.150	71	0.80 A	38	6	1	11	F.162
KLM P	F.100	—	—	48	3.80	—	—	"
NEDL P	F.1(0	2	1.30	—	—	15	5.50	F.111
NATN C	F.210	3	4	—	—	—	—	F.213.30
NATN P	F.210	-	—	7	4.20	—	-	"
NHO C	F.218.20	14	0.50	5	6.50	—	—	"
PEO P	Fr.6564	50	40	—	—	—	—	Fr.6600
PETR C	Fr.7030	1	20	—		10	400	"
PETR P	Fr.7000	-	—	10	450	—	—	"
PHIL C	F.50	151	0.20	159	1.40	176	2.50	F46.60
PHIL P	F.50	79	3.60	137	4	28	4.50	"
PHO C	F.45.50	424	1.40	14	3.30	-	—	"
PHO P	F.56.40	5	0.10	—	—	—	—	"
RD C	F.(50	351	2.60	57	7.10	6	11.50	F.151
RD P	F.150	683	1.50	228	6	40	7	"
UNIL C	F.250	173	1.60	4	8.70	6	)2.50	F.256.80
UNIL P	F.240	—	—	10	2.60	—	—	"

TOTAL VOLUME IN CONTRACTS)3,258

A=Ask B=Bid C=Call P=Put

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Britannia Group—Continued

Framlington Unit Mgt. Ltd. (a)

Kleinwort Benson Unit Managers

Perpetual Unit Trust Mngmt. (a) (z)

Touche, Remnant Unit Trust Mgt. Ltd.

INSURANCES

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sel A	23.9	25.2	.....	—
Blue Chip	18.9	19.9	.....	—
Fixed Yield	18.5	19.5	.....	—
Guaranteed Mny	15.4	16.3	.....	—
Managed	17.7	18.7	.....	—
International	23.1	24.4	.....	—
Property	14.9	15.7	.....	—
Pacific	17.9	18.9	.....	—
Equity	14.4	15.2	.....	—
Special Sits	20.7	21.8	.....	—
Int Currency	13.5	14.1	.....	—
Index Linked Secs	10.6	11.2	.....	—
American	16.7	17.6	.....	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	14.06	14.78	.....	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202

Multi Gwth July 6	£2.69349		+0.01241	—
Multi Gwth 'B' July 6	248.0	261.1	+0.3	—
Op 8 Prop July 5	250.7	263.9	.....	—
Op 8 Equity July 6	304.8	320.9	+0.4	—
Op 8 Hy July 5	204.6	215.3	.....	—
Op 8 Man July 5	304.8	320.8	.....	—
Op 8 Dep July 6	192.6	204.0	+0.2	10.19
Op 8 Int Bond July 5	162.9	171.5	.....	—
Op 8 Int Dist July 5	129.4	136.3	.....	8.40
Op 8 Int Man July 5	174.9	184.2	.....	—
Op 8 US$ July 5	136.1	143.3	.....	12.10
Pens 8 Pr Ac June 15	314.4	331.0	.....	—
Pens 8 Pr Cp June 15	210.9	222.0	.....	—
Pens 8 Eq Ac June 15	833.1	877.0	.....	—
Pens 8 Eq Cp June 15	558.6	588.1	.....	—
Pens 8 FI Ac June 15	366.4	385.7	.....	—
Pens 8 FI Cp June 15	243.7	256.7	.....	—
Pens 8 Md Ac June 15	522.0	549.5	.....	—
Pens 8 Md Cp June 15	350.0	368.5	.....	—
Pens 8 Dp Acc June 15	300.4	316.3	.....	—
Pens 8 Dp Cp June 15	201.4	212.1	.....	—

Britannia Funds—Series A

Am Small Co's July 4	124.4	131.0	.....	—
Am Spec Sits July 4	139.4	146.8	.....	—
Commodity July 4	76.5	80.6	.....	—
Extra Inc July 4	109.8	115.6	.....	—
Far East July 4	95.2	100.3	.....	—
Fin Secs July 4	135.4	142.6	.....	—
Gold & Gen July 4	97.3	102.5	.....	—
Growth July 4	112.4	118.4	.....	—
Int Growth July 4	139.3	146.7	.....	—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	171.3	180.4	−0.3	—
UK Equity	180.9	190.5	−0.9	—
Overseas Eq.	163.9	172.6	+0.3	—
American	168.6	177.5	+0.3	—
Far East	158.2	166.6	+0.1	—
Property	109.7	113.5	−0.3	—
Fixed Int.	149.6	157.5	−0.1	—
Indexed Gilt	96.3	101.4	−0.2	—
Deposit	110.3	116.2	.....	—

Pension Fund Prices

Man. Initial	167.7	176.6	−0.5	—
Man Acc.	183.9	195.6	−0.5	—
UK Eq. Initial	169.6	188.6	−1.5	—
UK Eq.	103.8	102.7	−1.6	—
Overseas Eq. Initial	185.7	195.5	+1.0	—
Overseas Eq.	209.5	220.6	+1.1	—
American Initial	179.6	189.1	+0.3	—
American	194.4	204.7	+0.4	—
Far East Initial	195.5	206.3	+0.1	—
Far East	212.6	223.8	+0.1	—
Prop. Initial	105.1	110.7	−0.2	—
Prop.	113.8	119.8	−0.2	—
Fixed Int. Initial	131.9	138.9	−0.1	—
Fixed Int.	142.5	150.0	−0.1	—
Indexed Gilt Initial	91.7	96.6	−0.2	—
Indexed Gilt	99.3	104.6	−0.2	—
Deposit Initial	108.8	114.6	.....	—
Deposit	118.2	124.5	.....	—

NPI Pensions Management Ltd.

Managed Fund	459.2	471.0	.....	—

Prices June 29. Next dealing August 1.

New Zealand Sth. Brit. Insce. PLC
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key (Managed)	323.2	333.2	+7.8	—
UK Equity	142.1	149.6	+0.9	—
American	234.7	247.1	+0.8	—
Pacific	327.5	344.5	+1.2	—
Property	148.2	156.0	.....	—
Gilt	169.5	178.4	−0.1	—
High Inc. Equity	134.7	141.8	+0.4	—
High Inc. Fxd. Int.	100.2	105.5	.....	—
Deposit	145.8	153.4	.....	—
Index-Linked Gilt	98.1	103.3	−0.5	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIG (Managed Funds) Ltd.

Managed Fund	470.1	494.8	−1.8	—
Equity Fund	843.4	887.8	−5.4	—
Property Fund	254.4	267.8	.....	—

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.		$11.33	−0.02	—

Inv. Adv.: M. & G. Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	17.8	18.6	.....	3.10
Chinese Fund	59.5	62.8	.....	1.70
Precious Metal Fund	126.6	133.3	—	0.30
Vanguard Cmdy Fd	25.5	29.7	.....	2.24
Financial Futures Fd.	60.5	65.0	.....	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd		$8.77	−0.06	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd 36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hall Mny Fd	9.13	9.41	Qtl	Call
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	9.25	9.57	6-mth	Call
7-day Fnd	8.54	8.73	6-mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	8.50	8.77	6-mth	Call
7-day Fund	8.37	8.54	6-mth	7-day
Hi Int Dp Acc	8.50	8.77	6-mth	1-day
Dollar	10.60	10.25	6-mth	2-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc.	8.75	9.04	Qtl	Call
Monthly Acc.	8.75	9.11	Mth	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc.	8.75	9.11	Mth	Call
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int Cheque	8.75	9.04	Qtl	Call
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	8.5	8.839	Mth	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	9.00	9.38	Mth	Call
U.S. Dollar	11.00	11.58	Mth	Call
German Marks	5.5	5.65	Mth	Call
Swiss Francs	3.0	3.09	Mth	Call
Japanese Yen	5.375	5.49	Mth	Call
Choulartons 30 Ashley Rd, Altrincham, Cheshire, WA14 2DW 061-928 9011				
Cheque Acc	9.17	9.51	Mth	Call
Co-operative Bank 78-80 Cornhill EC3 01-626 6543 Ex 464				
Cheque & Save	7.50	7.71	Qtl	Call
Over £1,000	7.50	9.82	Qtl	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	8.75	9.04	Qtl	Call
Lombard North Central PLC 17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	9.0	9.2	Paid	14-day
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
High Int Cheque Acc	9.00	9.43	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8718				
High Int Chq.	8.75	9.04	Qtl	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB 0708 66966				
High Int. Std. Acc.	8.43	8.80	Daily	Call
Premier Acc.	8.43	8.80	Daily	Call
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	8.36	8.65	Qtl	Call
Money Acc	8.50	8.77	Qtl	Chq 7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827735				
Special Acc	9.00	9.38	Mth	Call
Over £10,000	9.22	9.05	Mth	Call

NOTES:—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◆ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	Treas 12pc 1984	[illegible]	[illegible]	11.97	10.05
[illegible]	[illegible]	Treas. 15pc 1985	[illegible]	[illegible]	14.63	10.54
102¾	[illegible]	Exch. 12pc Cnv. '85	[illegible]	[illegible]	11.89	10.46
95⅜	[illegible]	Treas 3pc 1985	[illegible]	[illegible]	3.18	9.98
[illegible]	[illegible]	Treas 11½pc 1985	[illegible]	[illegible]	11.42	10.78
99¾	97⅛	Treas 8¾pcCnv '85	[illegible]	[illegible]	6.90	10.91
[illegible]	[illegible]	Exch. 12¼pc 1985	[illegible]	[illegible]	12.09	11.11
[illegible]	[illegible]	Exch. 11¾pc '86	[illegible]	[illegible]	11.71	11.47
[illegible]	[illegible]	Treas. 10pcCnv 1986	[illegible]	[illegible]	10.25	11.56
[illegible]	[illegible]	Treas 3pc 1986	[illegible]	[illegible]	[illegible]	8.70
102	[illegible]	Exch. 10½pc Cv '86	[illegible]	[illegible]	10.67	[illegible]
[illegible]	[illegible]	Treas 12pc 1986	[illegible]	[illegible]	[illegible]	11.54
[illegible]	[illegible]	Treas 8¾pc 1984-86‡‡	[illegible]	[illegible]	[illegible]	11.36
[illegible]	[illegible]	Exch. 14pc 1986	[illegible]	[illegible]	[illegible]	11.28
[illegible]	85	Exch. 2½pc 1986	[illegible]	[illegible]	[illegible]	9.00
[illegible]	[illegible]	Exch. 13½pc 1987	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Treas 10½pc '87	[illegible]	[illegible]	[illegible]	11.96
[illegible]	[illegible]	Exch 2½pc 1987	[illegible]	[illegible]	[illegible]	9.39
[illegible]	[illegible]	Exch. 10½pc 1987	[illegible]	[illegible]	10.39	12.06
[illegible]	[illegible]	Funding 6½pc '85-87‡‡	[illegible]	[illegible]	[illegible]	11.57
[illegible]	[illegible]	Treas. 10pc 1987	[illegible]	[illegible]	10.53	12.03
85	[illegible]	Treas 3pc 1987	[illegible]	[illegible]	3.59	9.42
105	[illegible]	Treas. 12pc 1987	[illegible]	[illegible]	[illegible]	12.05
[illegible]	[illegible]	Treas 7¾pc 1985-88‡‡	[illegible]	[illegible]	8.70	[illegible]
[illegible]	[illegible]	Exch 10½pc '88	[illegible]	[illegible]	[illegible]	12.04
[illegible]	[illegible]	Treas 9½pc Cv '88	[illegible]	[illegible]	[illegible]	12.13
82	77	Transport 3pc '78-88	[illegible]	[illegible]	[illegible]	9.34
[illegible]	[illegible]	Treas. 9½pc '88	[illegible]	[illegible]	10.42	12.17
[illegible]	[illegible]	Treas 11½pc 1989	[illegible]	[illegible]	[illegible]	12.14
[illegible]	[illegible]	Treas 9½pc Cnv. '89	[illegible]	[illegible]	10.47	12.09
[illegible]	[illegible]	Treas 10½pc 1989	[illegible]	[illegible]	11.16	12.13

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	91¾	Exch. 10pc 1989	[illegible]	[illegible]	10.88	12.21
95⅜	77½	Treas 5pc 1986-89	79½	–⅛	6.43	10.55

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	80	......
Craig & Rose £1	750xd	......
Finlay Pkg. 5p	43	......
Higsons Brew.	83	......
Holt (Jos) 25p	880	......
IoM Stm. £1	130	......

IRISH

Exch. 12% 1985	£99	......
Nat. 9¾% 84/89	£94¼xd	......
Fin. 13% 97/02	£93¾	......
Alliance Gas	65	......
Arnott	223	......
CPI Hldgs.	65	......
Carroll Inds.	101xd	−2
Hall (R. & H.)	55	......
Helton Hldgs.	19	......
Irish Ropes	42	......
Jacob (W.& R.)	65½	......
TMG	50	......
Unidare	80	......

OPTIONS — 3-month call rates

Industrials	
Allied-Lyons	15
BOC Grp	27
BSR	26
Babcock	17
Barclays Bank	45
Beecham	32
Blue Circle	40
Boots	16
Bowaters	25
Brit Aerospace	20
BAT	15
Brown (J.)	3
Burton Ord	22
Cadburys	11
Comm Union	16
Courtaulds	11
Debenhams	14
Distillers	22
Dunlop	5
FNFC	6½
Gen Accident	42
Gen Electric	16
Glaxo	70
Grand Met	50
GUS 'A'	75
Guardian	50
GKN	20
Hanson Tst	17
Hawker Sidd	38
Hse of Fraser	26
ICI	42
'Imps'	12
ICL	7½
Ladbroke	23
Legal & Gen	45
Lex Service	40
Lloyds Bank	50
'Lofs'	3
Lucas Inds	18
'Mams'	14
Marks & Spcr	20
Midland Bk	36
NEI	10
Nat West Bk	60
P & O Dfd	25
Plessey	20
Racal Elect	28
RHM	8
Rank Org Ord	24
Reed Intnl	40
Sears	8
TI	22
Tesco	16
Thorn EMI	55
Trust Houses	13
Turner Newall	10
Unilever	75
Vickers	14
Woolworth Hldg.	50
Property	
Brit Land	11
Cap Counties	16
Land Secs	25
MEPC	25
Peachey	17
Samuel Props	12
Sterling Guar.	4
Oils	
Brit. Oil & Min.	9
Brit Petroleum	35
Burmah Oil	17
Charterhall	9
Premier	6
Shell	55
Tricentrol	20
Ultramar	40
Mines	
Charter Cons	24
Cons Gold	53
Lonrho	12
Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES

Saturday July 7 1984

MAN IN THE NEWS

Mirror, Mirror on the wall

BY SUE CAMERON

ROBERT MAXWELL—an extremely large man—its in the back of his large maroon Rolls smoking a large cigar.

A shink Porsche draws up alongside and waits for the lights to change. "D'you tbink he'll beat us?" asks Maxwell. His chauffer mutters that he might.

"No, he won't," says Maxwell who promptly wiods down his window, leans out and tells the owner of the Porsche that his back wheel looks wobhly. The Porsche man protests that such a thing cannot be, but be pulls into the kerb for a quick investigation, just in case.

"You can't trust these foreign cars, y'know," shouts Maxwell, adding smugly to his driver as the Rolls pulls away: "Told you we'd beat him."

Maxwell, who has just put himself firmly on the fron pages again with his £80m to £100m bid for Mirror Group Newspapers, is bimself of foreign vintage. He was horn in Czechoslovakia and he did not opt to return there after the Second World War. His own description of his early life cannot be hettered:

"Born in Czechoslovakia, June 1923, at the age of 15 joins the underground army, is wounded and captured during the first battle of France but escapes to Britain. Volunteers for the Britisb Army by claiming he is 18 years old.

"In 1945, 'ignoring an order heavy enermy fire at a battle on the Dutch-German border, for heroism in the face of enemy action,' he is decorated with the immediate award of the Military Cross."

Undoubtedly brave. And excitingly written. But, given that he wrote it himself, definitely not British!

His first move after the war was to fall out with the Foreign Office. He was head of press section in Berlin and took against the Russians for kidnapping Germans off the streets of that city. The FO did not want a fuss. He left.

He then worked for Butterworth and Springer before buying a small, loss-making publishing company called Verlag Heidelberg in 1951. This he renamed and built up into Pergamon Press.

There is sometimes thought to be a good deal of mystery surrounding the way in which he got himself started. But he insists this is not so: Sir Charles Hambro, then chairman of Hambro's Bank, simply knew a good thing when he saw it and offered to lend him "up to £25,000."

"I think he just thought I was a man who would make a lot of money. I hope there are still bankers like that today."

And a lot of money is exactly what the ebullient Mr Maxwell has made—though there have been difficult periods along the way. The ahortive Leasco bid for Pergamon was an episode that did not always show Maxwell in a flattering light.

He says he is "not fussed" by what people say of him and adds that it is just "sour grapes." This view is echoed hy Mr Ron Chilton, chief executive of I.P.C. which like the Mirror Group, is part of Reed International.

"I don't think I'd like to work for him and be can be a real so-and-so," says Mr Chilten. "I've told him that—but he just takes it as a compliment. His real trouble is that his brain is about six moves ahead of anyone else. People don't like that. But once he's struck a deal, he'll stick to it."

Mr Maxwell was Labour MP for Buckingbam from 1964 to 1970 and says he continues to support Labour's "roadline." He adds firmly that, if he is successful in bidding for the Mirror group, it will be up to editors to decide on editorial policies.

"I'd like to be a Beaverbrook-style proprietor," he says, "but without the vendettas."

Robert Maxwell

Intensive talks maintain hope of end to pit strike

BY DAVID GOODHART, LABOUR STAFF

ANOTHER FIVE hours of "intensive negotiations" between the National Coal Board and miners' leaders yesterday maintained hopes that the latest round of talks may break the deadlock in the 17-week dispute.

Following both the nine-hour meeting on Thursday, which was described as "constructive," and yesterday's discussions, each side has kept unusually silent about the progress of the talks. This in itself is taken as a positive sign. A further meeting is due early next week, probably Monday.

Discussions have centred on the possibility of finding a compromise way of defining what are uneconomic or unworkable pits and on delaying the closure programme. However, the apparent amiability of the talks, held in a London botel, may partly reflect pressure on both sides to at least appear to be negotiating seriously.

Mr Arthur Scargill and the other NUM negotiators are being told by certain members of the miners' executive that the drift back to work may intensify unless some hope of a breakthrough can be held out to the strikers.

Around the coal6elds, however, the conflict continued more bitterly than for some days. Colliery manager in Scotland worte to striking miners in a bid to encourage a return to work and the NCB'a national newspaper campaign continued.

The NCB also announced a £20m development scheme for the Nottinghamshire coalfield where most of the 34,000 miners have continued working. It will invest in existing pits in both north and south Nottinghamshire to provide new equipment and boost production.

About 3,000 pickets, mainly from South Yorkshire, desconded on the new Selby pit complex and brought the small market town to a standstill for two bours by blocking roads and bridges.

Banks and shops remained closed for much of the morning and pickets overturned an NCB contractors' van held up in a traffic jam.

Pickets later massed outside the Whitemoor mine, one of two pits in the complex still under construction, and tried unsucessfully to stop NUM construction workers from getting to work.

In the North east a dozen striking miners occupied the NCB area headquarters in Gateshead in response to Thursday's announcement that colliery bus services would be resumed for any of the 22,500 miners in Durham and Northumberland who wanted to return to work.

● The attempt by Sonth Yorkshire's police committee to withold funds for policing miners' picket lines was temporarily blocked by the High Court.

● Britisb Rail said that coal trains were moving almost normally in the Midlands and the British Steel Corporatioo began transporting iron-ore by road from Immingham port to its Scunthorpe works.

Labour news, Page 6

Jaguar flotation plans outlined

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MR GRAHAM WHITEHEAD, president of Jaguar's U.S. subsidiary, has signed a contract for $137,000 (£142,000) a year — more than twice the salary accepted by his UK-based hoss, Mr John Egan, Jaguar's managing director.

Three executive directors of Jaguar signed contracts on June 22. Mr Egan, who is given much if the credit for the revival of the company's fortunes since he took over in 1980, will be paid £56,477 a year.

Salary details were given in a draft offer for sale document issued yesterday to shareholders of BL, Jaguar's parent company, as part of the preparations for the public floatation of the luxury car concern.

It is the first time a preliminary document of this type — similar do the so-called "red herring" prospectuses regularly issued in the U.S. — has been sent outin Britain.

The document states that Jaguar's Independence will be protected until 1991. The Government will have a "golden share," enabling it to protect the company from takeover and the document specifies that no individual or organisation will he allowed more than 15 per cent of the company until after December 31, 1990.

The Governmeot is anxious to avoid a repetition of the problems which arose from the recent sale of Enterprise Oil, when it prevented RTZ from acquiring 49.9 per cent even though no specific limit on shareholdings was mentioned in the offer documents.

Jaguar said last night that Mr Whitehead's salary was, if anything, below the going rate for similar jobs in the U.S. "He is getting what the average Jaguar customer earns in the U.S.", an official claimed. Pay levels, he said, were much higher in North America than in Britain.

Mr Whitehead's salary is equivalent to £133,000 when the pound stands at $1.4; with an exchange rate of $2 to the pound, it would still, at £93,500, be far higher than the salaries of BL's best-paid directors. Last year the two chief executives, Mr Ray Horrocks and Mr David Andrews, received ahout £80,000 each.

Under the terms of the Jaguar scheme, Mr Egan can take an option to huy up to £250,000 worth of shares at the offer price. Mr Whitehead can take an option on £96,000 worth and the finance director, Mr John Edwards, wbo signed a contract for a salary of £38,722, has an option on shares worth £93,000.

A further six senior executives of Jaguar will share options on shares worth £447,000.

The three non-executive directors of Jaguar will receive £10,000 a year and the use of a Jaguar car. Mr Hamish Orr-Ewing will be paid an additional £25,000 as non-executive chairman.

The Jaguar share sale is expected to take place almost immediately after a BL shareholders' meeting on July 24. The method of sale and the price will be determined hy stock market conditions at the time.

Ford signals, Page 4

U.S. unemployment rate drops

BY STEWART FLEMING IN WASHINGTON

THE U.S. unemployment rate dropped sharply again last month, reaching 7.1 per cent on a seasonally adjusted basis, its lowest level since April 1980.

The news was welcomed by President Ronald Reagan. In a speech in Texas he said his was the first single Administration for more than 20 years to reduce both unemployment and inflation in the same period.

In financial markets, however, evidence that the economy has so much underlying strength was greeted less warmly. Short-term interest rates rose and bond prices fell amid fears that, with the economy apparently bounding ahead strongly, the Federal Reserve Board was mere likely to tighten monetary policy.

The unemployment data was seen as further confirmation of the strong growth of real gross national product in the second quarter. The Commerce Department expects this to be about 5.7 per cent.

It was also seen as a signal that expansion in the third quarter might be more vigorous than many economists are predicting.

Last month's drop in the level of unemployment by 385,000, from 7.5 per cent to 7.1 per cent, was much greater than generally expected. Employment rose by 460,000 and employment in industry excluding the farming sector jumped by 300,000.

There was no change in weekly hours and overtime while average hourly and weekly earnings rose by 0.4 per cent.

This indicates that consumer incomes should cootinue to grow quite strongly and underpin continued expansion of consumer spending.

For President Reagan and his political advisers the figures will be seen as reassuring evidence that, overall, the economic outlook remains hright as the November presidential election approaches.

Official concern about the risk of further interest rate increases may be intensified, bowever.

Continued from Page 1

Base rates rise to 10%

was considerable speculation in the markets as to whether a further rise in interest rates might be necessary.

However, leading City brokers felt the latest rise in interest rates might he enough to stabilise the pound against Continental currencies, provided there were no adverse financial news or further weakeoing of oil prices to upset the markets.

The rise in interest rates unsettled the stock market with prices for gilt-edged securities down about ½ point and the FT industrial ordinary share index down 14.2 points to 819.3. The FT Government Securities Index fell to its lowest point this year at 77.79.

Gold shares were particularly strongly hit, as the price of gold fell $23 to $341.5 an ounce, directly reflecting the continued strength of the dollar and high U.S. interest rates.

Although the Government did not want ioterest rates to rise, because of the depressing effect on economic recovery, it was even more worried about the threat to tis anti-inflatioo strategy of any accelerating fall in sterling.

The 5.2 per cent fall in sterling's trade-weighted value this year can be expected toa dd about 1 per cent to retail prices in about a year's time, provided the pound remains at this lower value.

On the other hand, a 1 per cent rise in mortgage rates next week would add an immediate 0.3 per cent to the Retail Prices Index.

Yesterday, Mr Herbert Walden, the Building Societies Association chairman, said: "To retain and attract investments societies will almost certainly have to increase their rates."

The rise in base ratea was deplored yesterday by the Confederation of British Industry, which said: "The economy is not overheating, and their is no need from industry's point of view for higher interest rates. Ever yincrease of 1 percentage point adds £270m net to business costs.

However, Mr Nigel Lawson, the Chancellor, said in a BBC radio interview yesterday that the rapid rise in industry's profitability meant that the burden of higher interest rates could be borne more easily than a few years ago.

Mr Richard Wainwright, Liberal spokesman on the economy, condemned the rise. He said: "Just when there is an opportunity to make the pound more competitive and to bring the exchange value of sterling into a more sensible relation with the main trading currencies, the Cbancellor gives away this opportunity by allowing a rise in interest rates which will damage much of our exporting and make foreign imports more attractive."

Man with a suitcase hits Israel's $ black market

By David Lennon in Tel Aviv

THE BLACK MARKET price of the U.S. dollar bas plunged sharply in Israel in a few days, thanks to a mystery man with a big suitcase who has been swamping the streets with dollars.

The difference between tbe o0icial rate and the black market rate for the dollar has fallen from 35 per cent last week to 15 per cent, the illegal exchange rate having dropped from 330 shekels to the dollar to 280.

The black market currency dealers on Tel Aviv's Lilienblum Street and Jerusalem's Salah-a-Din Street bave named the mystery man "Kalman." They believe he is working for the central bank, which seems to have decided to push dollars on to the market to force down the black market rate and restore confidence in the sbekel.

In spite of the success of "Kalman's" activities, the pnblic rusb to buy dollars remains unabated as uncertainty persists abont possible changes in economic policy after the general election later this month.

Many people fear there will be a major devaloation, that shekel assets will be adversely affected and foreign currency restrictions tightened as the new government imposes a tongh policy in an attempt to cure the country's economic ills.

The commercial banks have had to fly in emergency supplies of dollars and travellers' cheques to meet the unseason high demand for foreign foreign currency by people bolding airline tickets.

Each Israeli travelling abroad is legally entitled to lake $500 in cash and $1,500 in travellers cheques.

It is believed that many people are buying airline tickets lo near-by destinations to take advantage of the arrangement to obtain foreign currency legally at the official rate. Others are purchasing expensive long-distance tickets, such as for a transatlantic oncorde flight, with shekels, and cashing them in for another currnecy once they are abroad.

It is illegal for Israelis to hold more than $2,000 in currency and travellers cheques except in a bank account. They are supposed to return to the hanks any additional money which they may have accumulaled.

Tbis law is ignored by Israelis, who prefer to run tbe slim risk of being discovered rather than face the certainty of seeing their shekel assets depreciate daily. Officials say that since the regulation was introdnced last year, only three people have returned money.

Continued from Page 1

Midland

encourage the development of such an instrument as one of the many steps in creating a unified currency structure for Europe."

The Eurocheque group claimed another "first" this year when it arranged for tourists from Britain, West Germany and Belgium to use their bank cards to withdraw cash from machines in Spain.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Distillers	293	− 6
Emess Lighting	280	+ 10	HK Shanghai Bank	50	− 4
Pressac	157	+ 12	ICI	558	− 16
Prestwich Parker	78	+ 20	Land Securities	282	− 7
FALLS			Lloyds Bank	435	− 13
Treas 11¾pc 03-07	£102¼	− ⅜	MEPC	292	− 8
Treas 2pcIL 1996	£101¾	− ¾	Midland Bank	310	− 5
Assc Dairies	166	− 6	NatWest Bank	600	− 15
Assd Newspapers	500	− 8	Smiths Inds	537	− 8
BSR Intnl	188	− 22	Unigate	128	− 5
Barratt Dvlpmnts	98	− 6	BP	452	− 18
Bowater	249	− 9	Britoil	232	− 11
British Aerospace	358	− 10	Cons Gold Fields	485	− 22
British Home Stores	199	− 6	Pres Steyn	£30¾	− 3¾
Cable & Wireless	300	− 15	St Helena	£18¾	− 2¼
Courtaulds	119	− 5	Vaal Reefs	£75¾	− 4¼

WORLDWIDE WEATHER

UK TODAY: Hot in England, Wales and E. Scotland. Mostly dry with sunny periods. N. and W. Scotland and N. Ireland cloudy with rain.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	Dallas		—	—	L. Ang.†	C	26	79	Paris	S	24	75
Amsdm.	C	15	59	Dublin	S	23	73	Luxmbg.	S	21	70	Perth	R	15	59
Athens	S	27	81	Dbrvnk.	S	23	73	Madeira	S	22	72	Prague	C	14	57
Barclna.	S	25	79	Ednbgh.	F	22	72	Madrid	S	31	88	Reykjvk.	R	13	55
Belfast	F	21	70	Faro	S	27	81	Majorca	S	28	82	Rhodes	S	28	82
Belgrd.	F	18	64	Frankft.	F	16	61	Malaga	S	26	79	Rio J'o		—	—
Berlin	F	14	57	Geneva	S	21	70	Malta	F	27	81	Salzbrg.	F	15	59
Biarritz	S	27	81	Gibraltar	S	24	75	M'chstr	S	23	73	S F'cisco†	F	13	65
Bmghm.	S	25	77	Glasgow	S	21	70	Mx. C.†		—	—	Singapr.	F	31	88
Blackpl.	S	13	55	G'rnsey	S	21	70	Miami†	S	26	79	S'tiago		—	—
Bombay	C	27	81	Helsinki	F	19	66	Montrl.†	C	21	70	Stckhm.	F	17	63
Bordx.	S	28	82	H. Kong	C	30	86	Moscow	F	20	68	Strasbg.	S	22	72
Boulgn.	S	19	66	Innsbrk.	S	21	70	Munich	F	18	64	Sydney	S	14	57
Bristol	S	25	77	Invrnss.	C	21	70	Nairobi	C	24	75	Tel Aviv	F	29	84
Brussels	S	17	63	I.o.Man	F	16	61	Nassau		—	—	Tenerife	S	31	88
Budpst.	C	15	59	Istanbul	S	24	75	Nwcstl.	F	23	73	Tokyo	C	30	86
Cairo	S	23	73	Jersey	S	23	73	N Delhi	C	30	86	Toronto†	F	19	66
Cardiff	F	23	73	Jo'burg	S	15	59	N York†	R	22	72	Valencia	S	27	81
Cape T.	S	16	61	L. Plms.	S	27	81	Nice	S	24	75	Vienna	C	15	59
Chicg.†	F	17	63	Lisbon	S	22	72	Nicosia	S	29	84	Warsaw	R	14	57
Cologne	S	16	61	Locarno	S	24	75	Oporto	C	18	64	Zurich	C	19	66
Corfu	S	26	79	London	S	25	77	Oslo	S	19	66				

C—Cloudy. F—Fair. R—Rain. S—Sunny. † Noon GMT temperatures.

THE LEX COLUMN

The tenability of ten per cent

Yesterday's upward lurch in base rates to 10 per cent came none too soon for the foreign exchange markets, where something ominously like an old-style sterling crisis looked on the cards by mid-morning. The pound's slide against the dollar in recent weeks has provoked surprisingly little hysteria; but its collapse over the last five days has been made appreciably worse not only by another fast lap from the dollar bnt by heavy selling of sterling itself against most other currencies.

Some of the City's current explanations for a weak pound look a bit shop-worn. Th petrocurrency status has been a depreciating asset for months and oil spot prices anyway staged a slight recovery this week. Nor has the miners' strike been exactly critical. The resolution of the IG Metall strike in Germany, after all, worked no wonders for the D-Mark. Indeed, the Bundesbank marked the strike's end by raising its discount rate for the first time in four years.

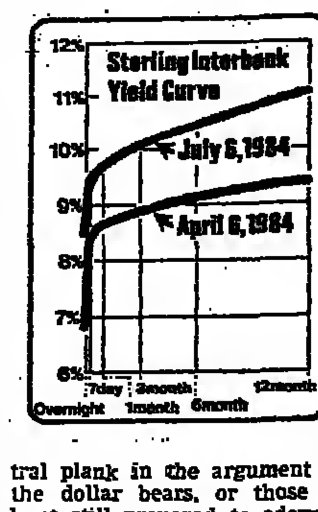
More persuasive is the argument that the currency market has responded to clear statements from both the Chancellor and the Bank of England that they saw no domestic pretext for higher interest rates. Given the general expectations of higher rates in the U.S., this was clearly taken by the sterling bears as an exit cue.

Meanwhile, those expectations bave been growing by the day. Last month's increase in the U.S. prime rate was a reminder, in case anyone needed it, that the international debt crisis cannot always trump domestic pressures in the eyes of Wall Street. All the latest statistics show the government, the corporate sector and the consumer heading for a grand three-way collision in the credit markets. The rate of growth for final retail sales may wel lhave hit a record high in the second quarter, unemployment is falling fast and real consumer income is still in the fast lane. There was a growing suspicion by last night that the Federal Reserve has upped its target for Federal Funds lo 11 per cent—and there will need to be heavy retail buying next week of the latest long Treasury bond to avert another sizable jump in long-term rates.

Pushing in the same direction is the fundamental change in the pattern of the U.S. capital account since the beginning of last year. The deficit on the current account is still a central plank in the argument of the dollar bears, or those at least still prepared to adavnce their case. But the surplus on the capital accounts reflects not only a steep fall in overseas lending by U.S. banks—which plummeted again on a net basis in the first quarter this year—but a massive inflow of equity funds.

How much London fund managers are now contributing to this flow ia hard to judge. Few are any longer prepared to wait upon the putative collapse of the dollar. The question now is simply whether yesterday's base rate move will prove sufficient to stem the tide; certainly tbe Bank of England was sending out a firm signal in the morning that 10 per cent appeared to it to be a realistic high water mark. With the equity market still confident that the miners' strike will probably have only a limited impact on UK economic growth, some in the City are hoping that the gilt-edged market has now hit bottom. But sterling's safe passage through the next few months seems far from guaranteed even by the new hase rates.

Index fell 14.2 to 819.3



Jaguar Cars

After a string of mechanical failures, the Government's privatisation vehicle has been looking badly in need of an overhaul, not to mention a few extra security devices. Yesterday it emerged from the Hill Samuel engineering works sporting Jaguar colours and incorporating, if not a host of splendid new features, at least enough design improvements to keep it on the road.

Hill Samuel has taken the sensible step of issuing a draft prospectus roughly three weeks ahead of the offer for sale document proper. The absence of either a selling price or a second quarter profit figure inevitably means that the prospectus is littered with infuriatng black blobs: but at least the document should enable prospective investors to accustom themselves to a company which is unfamiliar, both by virtue of the nature of its business and because BL has shrouded its financial affairs in secrecy.

This approach is all the more welcome because, unlike Enterprise, Jaguar is a company which should attractsignificant private client interest. By making the skeleton of the business available for inspection at an early stage, Hill Samuel has given thesmall investor ample time and opportunity to take a view. Most important of all, however, the "red herring" prospectus may enable the Government to sidestep the obvious pitfalls associated with both fixed price offers and tenders.

By the time an offer price is set and the issue underwritten, which should be shortly after the BL AGM on July 24, the sponsors should have a clear idea of the level of investment interest. Hill Samuel is running the risk that the institutions will vigorously talk the price down in the meantime, but it should by now have a fairly precise view of what it thinks the business is worth. Certainly any mention of figures below £300m, equivalent to six times 2983 earnings, will be treatd very sniffily.

In practice, therefore, the Government should be able to sell at a fixed price in circumstances which might otherwise have cried out for a tender. Jaguar's pronounced vulenrability to the sterling/dollar exchange rate, graphically illustrated in the prospectus, would make it very hard to fix a price through the conventional mechanism.

The bank might have opled for a more radical approach, including for example a limited underwriting or an indicated price range, but the Jaguar offer for sale already looks more adventurous than any other to date. Not surprisingly, in the light of the events of the past 10 days, Jaguar features a central locking gadget. The golden share carries more clout than usual, while any prospective raiders are being firmly limited to 15 per cent, and that's that.